FBIS DAILY REPORT

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SELA CRITICIZES HANDLING OF FOREIGN DEBT

PA190352 Mexico City Red Nacional 13 Imevision Television in Spanish 0300 GMT 18 Mar 87

[Report by Sergio Lopez Vega]

[Text] The SELA has strongly criticized how the foreign debt problem is currently being handled. It urged finding a new approach whereby commercial banks make concessions in order to resolve the problem. The SELA document was discussed in San Jose during a Latin American coordination meeting prior to the Seventh UN Conference on Commerce and Development. The SELA stated that forecasts on the foreign debt paint an even worse picture and that this is aggravated by low prices for raw materials and scarcity of credit for the region.

Moreover, a UN report criticized the commercial banks. The report stated that these banks have imposed conditions that are extremely favorable to them and ensure that they will continue profiting from the foreign debt problem.

In Boston, duiring a meeting on the foreign debt organized by the Massachussetts Institute of Technology, Latin American representatives agreed that new credit is necessary for growth. (Pedro Aspermella), Mexican deputy programming and budget secretary, stated that granting loans to debtor countries has become a tortuous and slow process. Likewise, Paul Taylor, U.S. assistant secretary of state for inter-American affairs [title as heard], admitted that the Baker plan to deal with the foreign debt problem has been unsuccessful.

Meanwhile, U.S. Treasury Secretary James Baker warned that if Brazil wants new credit it must submit a new economic program. In Brasilia, Joao Sayad, minister-chief of the Planning Secretariat of the Presidency, resigned apparently because he tried to implement an economic program by freezing wages and prices.

In Caracas, Venezuela announced that it will ask to extend a moratorium on the interest payments on its foreign debt for 3 more months. However, it stated that this is merely a procedure to sign the new refinancing agreements.

INTEGRATION GROUP PLANNING ANDEAN COMMUNICATION NET

PY182202 Madrid EFE in Spanish 0125 GMT 16 Mar 87

[Text] La Paz, 15 Mar (EFE) -- Gaston Mejia, director of the International Institute of Integration (III), headquartered in La Paz, has reported the imminent creation of an Andean information and communication net.

Mejia said that the III has already started to plan a subregional census to determine what information and communication resources exist in Bolivia, Colombia, Chile, Ecuador, Peru, and Venezuela. Based on the results of the census, the III will then make the necessary contacts to facilitate the exchange of material among these Andean countries.

Mejia also said that, in 1987, the III, which is part of the Cartagena Accord, will adopt measures aimed at prompting technological updating.

In order to do so, he said, a standardized academic curricula will be adopted in the area, student and professional exchange programs will be implemented, and post-graduate specialization in science and technology will be encouraged.

Mejia concluded by saying that the III will also create a fund to assist financially and to stimulate the training of professionals from the countries which belong to the "Andres Bello" Agreement -- a cultural organization of the Andean Group.

FREE ENTERPRISE, HUMAN RIGHTS GROUP FORMED

PA162214 Madrid EFE in Spanish 0119 GMT 15 Mar 87

[Text] Mexico City, 14 Mar (EFE) -- Businessmen of six Latin American countries founded the "Chapultepec Group" in Mexico City. The group's goal is to defend free enterprise and human rights in the region.

The group, created at a Latin American businessmen's forum held in this capital, is comprised of businessmen from Argentina, Costa Rica, Guatemala, Mexico, Nicaragua, and Peru.

In its first news conference, held today, the "Chapultepec Group" said that the creation of a Latin American debtors' club could destroy the international financial system. For this reason, they suggested that each country negotiate with its creditors separately. The businessmen said they will issue a declaration of principles and announce their by-laws soon. They noted that the "Chapultepec Group" is the first attempt of the business sector "to promote, not only as businessmen of each country, but united, an effort to find solutions to the interregional problems that are specially important." They added that one of the causes for the economic failure of the Latin American countries and the region's profound crisis is that businessmen have stopped participating in politics.

BRIEFS

AMAZON INTEGRATION GROUP CREATED -- Bolivian Consul General in Manaus, Brazil, Amilcar Monte Rey Cusicanqui, has reported the creation of the Amazon Integration Group [GIA] aimed at fomenting and supporting the establishment of norms and procedures within the Amazon Cooperation Treaty, signed on 3 July 1978 in Brazil. The GIA was created on 26 January 1987 by the consuls of Venezuela, Peru, Colombia and Bolivia and several Brazilian commercial organizations. [Summary] [La Paz PRESENCIA in Spanish 1 Mar 87 p 1 PY]

NEW ALADI OFFICIAL NAMED -- Montevideo, 6 Mar (EFE) -- Ildegar Perez-Segnini, Venezuelan ambassador to ALADI, today assumed the presidency of the Association's Representatives Committee. [Summary] [Madrid EFE in Spanish 0357 GMT 7 Mar 87 PY]

FURTHER REPORTAGE ON MILITARY HUMAN RIGHTS TRIALS

'Psychological Campaign' Eyed

PY181823 Buenos Aires Domestic Service in Spanish 1600 GMT 18 Mar 87

[Text] Alfredo Mosso has reported a campaign which has been launched by rightist and leftist sectors to damage the government's image. The Defense Ministry under secretary also said that we are going through the most difficult period of the military situation. He added that there is a persistent and systematic psychological campaign being carried out by sectors interested in promoting an atmosphere of discontent and unrest.

The Defense Ministry official said that these sectors are carrying out selfish and reactionary actions to fulfill their own interests, which are not precisely those of Argentine citizens or those of Argentine democracy which we are trying to strengthen and consolidate.

Mosso added that this wave of rumors, this imprudent psychological campaign, is being confronted by a strong government which is in full command of its powers, and that we are certain that the campaign will fail in its objectives.

Mosso said that there are about 230 military officers [affected by the Full Stop Law] and he warned that those officers and noncommissioned officers who do not appear before court will be dismissed from the Armed Forces.

More Officers Indicted

PY181924 Buenos Aires BUENOS AIRES HERALD in English 18 Mar 87 p 11

[Text] (NA-DYN) -- The Mendoza Federal Appeals Court yesterday ordered the trials of three generals, a brigadier-general and numerous Army and police officers for their involvement in human rights violations.

The measure affects retired General Luciano Benjamin Menendez, former commanders of the Eighth Mountain Troops Brigade Generals Jorge Maradona and Juan Pablo Saa and former Air Force intelligence chief retired Brigadier-General Julio Cesar Santuccione.

One of the many cases involving these officers is the death of 30-year-old communist leader Angel Carabajal, who was found hanging in his cell in August, 1976, in an apparent suicide. However his death reportedly resulted from torture.

The Federal Appeals Court, in turn, yesterday granted a five-day extension to the prosecution and defence to present evidence in the file of rights violations committed at the Navy Mechanics School (ESMA). These are estimated at 103 cases.

The court also rejected an appeal presented by the lawyer of fugitive Captain Horacio Estrada, asking that the Armed Forces Supreme Council try the case and requesting President Raul Alfonsin to sanction the federal court's members for purportedly infringing the constitution in taking over the case.

The court replied that as a fugitive Estrada had no right to make appeals. The officer is reportedly in Denmark as he obtained 90 days' leave from the Navy to leave the country.

While the Bahia Blanca Federal Appeals Court yesterday continued to hear the testimony of former Fifth Army Corps deputy commander retired General Acdel Vilas for the sixth day, there were reports that Gustavo Stroessner, son of the Paraguayan president, had offered Vilas a chance to escape testifying by taking refuge in the Paraguayan Embassy but that Vilas had turned down the offer out of loyalty to his former subordinates.

The La Plata Federal Appeals Court indefinitely postponed the questioning of Generals Antonio Molinari and Juan Carlos Camblor, which was scheduled for today.

The nine Armed Forces Supreme Council members will not resign over their discrepancies with civilian courts but are said to be studying a public reply to the Federal Appeals Court's criticism which they will make public today or tomorrow, a highly placed government source revealed.

Vice-President Victor Martinez confirmed that no resignations had been presented so far and stressed that "I think it is important to strengthen the institutions, each of us remaining in his combat posts to overcome problems," adding that "resignations are not at all beneficial."

Radical Senator Hector Velazquez (Misiones), however, said the council's attempt at justifying the war against subversion was "unthinkable," stressing that "in other countries with highly specialized repressive forces they have not needed to torture pregnant women, apply the electric cattle prod to babies or such monstrosities."

Judge Fernando Nino yesterday dropped the legal charges against Mario Pena, former president of the Criminal Appeals Court. He had been accused of malfeasance for depositing and withdrawing corpses without an autopsy from the court morgue during the illegal repression of subversion.

In related news, Cordoba Federal Appeals Court prosecutor Humberto Vidal yesterday spoke in favour of nullifying the rigorous preventive arrest ruled against retired General Jose Malagamba in the case of the murder of two La Rioja priests, stating there was a lack of evidence.

The military circle grouping of Army officers and the Friends and Relatives of the Victims of Subversion (FAMUS) yesterday issued separate statements ratifying the war against subversion and criticizing federal courts, in solidarity with officers under trial. The former said they would consider as "honorary partners" any officers convicted by "political trials" while the latter criticized those who sought to "disguise vengeance as justice." On the other hand, the Permanent Assembly for Human Rights (APDH) yesterday praised the work of the courts.

Military Rejects Court Claim

PY191320 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1910 GMT 18 Mar 87

[Text] Buenos Aires, 18 Mar (NA) -- The Armed Forces Supreme Council has rejected Federal Court of Appeals charges that it is obstructing justice. The Armed Forces Supreme Council has claimed that it "acted within the law," and did not commit any violation.

In addition, the council has reasserted its belief that actions taken during the struggle against subversion were conducted "in a warlike situation.

The Armed Forces Supreme Council also asserted that none of its members has requested to be released from duty, thus denying rumors that circulated last week. The confirmation that the council members will remain in their posts has confirmed the statement made yesterday by Presidential spokesman Jose Ignacio Lopez and other high-ranking government officials.

Last week, the Federal Court of Appeals charged the armed forces Supreme Council with being without jurisdiction in the case of General Jorge Olivera Rovere, and with "delaying and hindering the task of the constitutional judges." The Federal Court of Appeals also requested President Alfonsin, as commander in chief of the Armed Forces, to apply sanctions to the Armed Forces Supreme Council members for violating Article 6 of the Military Code of Justice for Non Compliance.

"In face of the expectation which has been aroused," the military court today issued a communique stating as follows:

"1. The Armed Forces Supreme Council rejects the charges, raised by the Federal Criminal Court of Appeals of the federal capital, of having delayed and hindered the task of the constitutional judges. The Armed Forces Supreme Council has acted within the law in order to contribute -- by its truth, and professional criterion, within a context of war yet always within a legal and state of law framework -- to enrich our constitutional justice and not hinder it."

"2. The Armed Forces Supreme Council members have not requested to be released from duty."

"3. The Armed Forces Supreme Council [word indistinct] the resolution of the president of the Republic regarding the charges leveled by the Federal Court of Appeals under Article 6 of the Military Code of Justice."

According to a high-ranking official, the Federal Court of Appeals may have "stepped out of line" when addressing the president to ask him to sanction the Armed Forces Supreme Council members because it should have addressed the Supreme Court of Justice, not the president. The same high-ranking official also said that jurisdictional disputes raised by the Federal Court of Appeals "do not violate Article 6 of the Military Code of Justice" which foresees sanctions for breaking the law. The official said that for this reason the Armed Forces Supreme Council stated that it has "always acted within the law."

Regarding the ratification of what the Armed Forces Supreme Council calls "its truth" and "its personal criterion," it must be recalled that when the Armed Forces Supreme Council claimed jurisdiction over the CONADEP [National Commission on the Disappearance of Persons]-La Perla case, it claimed that war "is an act of force" in which "there are no limits."

The Armed Forces Supreme Council document on the same case was released last Thursday, and [word indistinct] several sources of interpretation, including Clausewitz, Mao Zedong, Lenin, and Raymond Aron.

On reaffirming the idea that, in the recent past, the country had lived through "a war," the Armed Forces Supreme Council stated in the document that: "A revolutionary war is being conducted in all national sectors," and also -- citing Mao and Lenin -- that "the idea that guides the actions of the revolutionary leaders is the belief that everything is permitted, that the end justifies the means."

Regarding the charges of "delaying" and "hindering" justice, the Armed Forces Supreme Council stated that "a council that has to deal with 3,000 cases in 180 days cannot be considered negligent."

Alfonsin Meets With Ministers

PY191354 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1208 GMT 19 Mar 87

[Text] Buenos Aires, 19 Mar (NA) -- President Raul Alfonsin met last night with close aides to discuss the situation in the Armed Forces and the steps to be taken in relation to the trial of military men for serious violations of human rights during the struggle against subversion.

Yesterday, Alfonsin met at the Olivos residence with Defense Minister Horacio Jaunarena, Interior Minister Antonio Troccoli, Justice Secretary Ideler Tonelli, Presidential Secretary Carlos Becerra and Deputies Cesar Jaroslavsky and Leopoldo Moreau.

During the meeting, at 2030, Presidential Spokesman Jose Ignacio Lopez told reporters in the Olivos Residence that the president had been briefed on the progress in relation to the Full Stop Law. Lopez said that Alfonsin was given a "full picture" of the events of the last 2 or 3 weeks. He added that the issue of the Supreme Council "was not considered," in relation to the council's rejection of the accusation made by the capital federal court that the Supreme Council was obstructing the work of the civilian court.

Lopez also denied that Alfonsin will meet tomorrow with the Armed Forces high command, therefore there was no discussion last night on any issue to be considered during this upcoming meeting.

Some reports indicated that Alfonsin and his aides discussed various future possibilities such as having the Supreme Court define the principle of "due obedience" and the impact this would have on the trials. The definition of the term due obedience by the Supreme Court was mentioned as an important possibility by Education and Justice Minister Julio Rajneri and by Justice Secretary Ideler Tonelli in statements they made separately.

Rajneri said that the definition is necessary to preserve the officers who had no "moral choice" than to carry orders they released.

Rajneri and Tonelli yesterday held a long meeting in the Education Ministry.

Tonelli said that the military situation derived from the trials has created "the most critical moments" for the government.

Reports from the Army and the Navy indicate that there was some unrest among the mid-level cadre because large sectors do not think the military leadership has assumed their full responsibility that they have been relieved of responsibility because they did not have the power of decision when the struggle against subversion was conducted.

The meeting in the Olivos Residence began at 1900 and lasted several hours.

It was reported at first that the meeting in the Olivos Residence was a "special ministers' meeting" but Presidential Spokesman Jose Ignacio Lopez said that "it is normal" for the president to meet with the heads of several ministries.

ARMY OPPOSES MOVING FEDERAL CAPITAL TO VIEDMA

PY140239 Buenos Aires BUENOS AIRES HERALD in English 12 Mar 87 p 1

[Text] (NA-DYN) -- The Army yesterday threw its weight against moving the capital to the Viedma-Carmen de Patagones area, saying that the site would be highly vulnerable to attack from the sea and would place additional strains on defensive capacity.

They also described Viedma as far removed from all communications networks. However, Army Chief of Staff Hector Rios Erenu recognized the value of a Viedma capital as a contribution towards decentralization and development of the south.

Yesterday's statement was the first official pronouncement by any one of the three Armed Forces, although the opinions of the Navy (strongly positive) and the Air Force (cautiously in favour) have already been leaked.

Meanwhile, Peronist congressional candidate and former Labor Minister Carlos Ruckauf called for a full discussion of the change of capital, saying everybody agreed with decentralization but only after a full debate.

INDUSTRY SECRETARY ON IMPROVED EXPORTS IN 1987

PY131938 Buenos Aires BUENOS AIRES HERALD in English 13 Mar 87 p 3

[Text] Industry Secretary Roberto Lavagna yesterday said that the only trade opening currently in force is an export opening similar to last year's, adding that throughout 1987 there would be a series of price controls without which basic economic reforms would not be able to take root.

He said that the wage and price freeze cannot be eased by lowering import duties, as that would make industrial producers bear the brunt of the anti-inflation measures.

Lavagna, in an interview published yesterday by EL CRONISTA COMERCIAL, pointed out that the export regulations enforced in 1987 produced "clear results, improving the availability of hard currency," and that exports this year are expected to rise by 500 million dollars to a total of 2.1 billion dollars.

He said there are also other short, medium, and long-term measures aimed at lowering inflation and improving conditions for the industry. "None of these will solve our problems in four months," he explained, adding that short-term measures must be understood as being part of a long-term plan.

CNEA'S CONSTANTINI ON ECONOMY, NUCLEAR PLANTS

PY170222 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2105 GMT 15 Mar 87

[Text] Buenos Aires, 15 Mar (NA) -- Alberto Constantini, chairman of the National Commission for Atomic Energy (CNEA), has said that the current economic policy is a monetarist policy. He said: "We are hoping for the promised stability, but no one is thinking of development." He added that he disagrees with Finance Secretary Mario Brodersohn "because he is not appropriating funds" to develop the nuclear program.

In an interview published by CLARIN, Constantini stated: "For 20 years I have been criticizing the monetarist policies implemented in the country. I believe that, if we continue to adopt this strategy, we will hold back the country's development."

Constantini said that "the monetarist policies are implemented in the country even by those who were originally adherents of Keynesianism." He said that the monetarist policies are implemented because the Chicago School has succeeding in making monetarism a type of culture for economists and businessmen."

The CNEA chairman, who is also chairman of the Argentine Center of Engineers (CAI), said that the goal of the CAI Advisory Business Council "is to debate topics that affect the companies and to seek solutions."

He rejected the idea that this advisory group was made up to support the "captains of industry," and said: "We gathered the most talented individuals because they represent the best intellectual ability of the business sector, not because of their political influence."

Constantini also said: "If we do not appropriate funds for research, we will become more underdeveloped than we are. Currently, there are certain countries in Latin America, such as Cuba, that have more important research institutes than we have."

Constantini said that "the businessmen believe that stability favors their activities. Of course it does, but stability alone will not solve our problems, we must grow also."

Concerning the construction of the fourth nuclear plant, Constantini said that "the FRG proposal is ahead," but the decision is not final yet, because "certain members of the CNEA favor another proposal."

He added that the FRG proposal includes "plant layout, technological and basic support, and complete autonomy to decide about construction projects in Argentina and abroad," and that "the other proposal is late, and we have received very little information on it."

Constantini said that the nuclear plant construction projects "are behind schedule because of delays and stoppages that occurred in 1981 and 1982," and that "the previous government is responsible for the delays in construction, which is some 5 years behind schedule."

He concluded by saying "I have 1,800 people working in the heavy-water project, and 800 working in the Atucha plant. All of them have threatened to halt the projects if they are not paid."

PACT WITH BRAZIL TO SAVE FOREIGN RESERVES SIGNED

PY190225 Buenos Aires TELAM in Spanish 0002 GMT 19 Mar 87

[Text] Buenos Aires, 18 Mar (TELAM) -- Argentina and Brazil have decided to increase the principal trade credit line by $280 million, and to create a unit of account and payment in order to save foreign currency reserves. This was reported by Foreign Trade and Industry Secretary Roberto Lavagna upon his return from Brazil, where he met with Finance Minister Dilson Funaro and Foreign Ministry officials.

Lavagna, Trade Subsecretary Jorge Campbell, and the international economic relations secretary of the Foreign Ministry, Jorge Romero, went to Brasilia on Monday to discuss with Brazilian Government officials the creation of a common currency, the expansion of bilateral trade, and the possibility of signing agreements in the finance, agroindustry, automobile manufacturing, and petrochemicals areas.

According to Lavagna, the expansion of the reciprocal credit line will mean that it is no longer necessary to spend foreign currency to clear imbalances in favor of either country every 4 months, as is current practice. The decision to implement mechanisms to increase trade without generating a surplus in favor of either country is expressly stated in the agreements signed by Argentine and Brazilian Government officials. At the same time, both countries will study measures that tend to expand bilateral trade through mutual preferential drawback concessions.

The Brasilian and Argentine negotiators further agreed to review the schedule of negotiations regarding new protocols in the areas of petrochemicals, automobile manufacturing, and agroindustry. They also agreed to speed up the protocols for metallurgy and transportation.

In this regard, Lavagna affirmed that the objective of industrially integrating both economies in a balanced manner is part of a global industrial policy.

BRIEFS

COMMUNICATIONS ADVISER RESIGNS -- (DYN) -- Publicist David Ratto, whose advertising agency was due to merge with a U.S. agency shortly, resigned as presidential adviser on communications, the daily LA NACION reported yesterday quoting government sources. The daily said Ratto, who was appointed presidential adviser when President Raul Alfonsin took office in December 1983, would continue linked to the ruling Radical party. [Text] [Buenos Aires BUENOS AIRES HERALD in English 15 Mar 87 p 15 PY]

AMBASSADORS NAMED, APPROVED -- Buenos Aires, 11 Mar (TELAM) -- Government House today announced that Alberto Felipe Dumont has been named Argentine ambassador to Kenya, while Teresa Flouret has been named ambassador to Nepal, which will be concurrent with her post as ambassador to India. Hector Tejerina has been transferred from the Consulate General in Genoa to the Republic of Syria, where he will carry out the functions of ambassador during his stay in that country. [Text] [Buenos Aires TELAM in Spanish 0240 GMT 12 Mar 87 PY] -- Buenos Aires, 18 Mar (TELAM) -- The Foreign Ministry today announced that Tanzania has accepted Carlos Alberto Cortina as Argentine ambassador to that country, while Nicaragua has accepted the naming of Jose Pico. [Excerpt] [Buenos Aires TELAM in Spanish 2106 GMT 18 Mar 87 PY]

SARNEY REPORTEDLY AGREES TO TERM REDUCTION

PY191506 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Mar 87

[Text] Brasilia -- Government adviser-general Saulo Ramos has said that President Jose Sarney will agree to give up 1 year in office if the next constitution estblishes that presidental terms should last only 5 years. Ramos added that, in this way, Sarney's period in office would not have to be established by temporary regulations within the Constitution. Ramos has pointed out, however, that Sarney believes it is more important that the constitution determines whether Brazil should continue to be governed by presidents or by a parliament.

According to Ramos, the Planalto Palace wants the future constitution to be established on a priority basis. This constitution should be ready in 6 months at the latest. In addition to the government system and the presidential term, Ramos feels that people are also waiting with great expectation for a definition on the country's new economic order, in addition to the plans for the social sector. As an example of the expectation existing over initiatives for national and foreign capital, Ramos stated: "Brazil has stopped investments because no one knows what the Constituent Assembly will decide."

Regarding President Sarney's term in office, Ramos stated that the Constituent Assembly must deal with this issue only on a temporary basis, should the members of the Constituent Assembly decide that future presidents will have a term different from the current one. Personally Ramos feels that if the new constitution states that the presidential term will be 5 years, it will also be valid for President Sarney. He recalled the example of the 1946 Constitution, when Marshall Dutra, who had a 6-year term, agreed to reduce it to 5, in keeping with future presidents. By doing so, according to Ramos, there was no need to resort to a transitory regulation on the matter.

"The Constitution is a process of negotiation," Ramos stated, explaining the understandings that could take place on the establishment of the presidental term. He added that the president is more interested in learning whether the country will have a presidential or parliamentary system. If a parliamentary system is established, Sarney will remain as chief of state, while the prime minister will be head of the government. Ramos feels that the theory defended by Civil Household Chief Marco Maciel is correct, that President Sarney was elected for a 6-year term as established by the current Constitution. Nevertheless, President Sarney will agree to a reduction of his term in office.

FOREIGN MINISTER SODRE RETURNS FROM CUBA

PY200124 Brasilia Domestic Service in Portuguese 2200 GMT 19 Mar 87

[Text] Brazilian Foreign Minister Abreu Sodre and his entourage are back in Brazil after a nearly week-long visit to Cuba. Today the minister returned to Brasilia and brought several suggestions from Cuban President Fidel Castro on increasing economic relations between the two countries.

Speaking at the residence in Havana of Brazilian Ambassador to Cuba Italo Zappa, the Cuban president told Brazilian reporters that his country is willing to negotiate with everyone. However, he said he prefers to deal with Latin American countries.

In the case of capital joint ventures between Cuba and state companies and foreign private companies, Brazil is a preferential partner for Cuba, Fidel Castro said.

Remarks Termed 'Improper'

PY200047 Rio de Janeiro O GLOBO in Portuguese 19 Mar 87 p 1

[Editorial: "Imprudence"]

[Text] Apparently exhilarated by the warm banquet given him in Havana by his Cuban colleague, Foreign Minister Abreu Sodre made some impromptu remarks -- published in JORNAL DA TARDE -- which are worth reproducing since they were not denied:

"After resuming diplomatic relations, Brazil and Cuba are making history in the Caribbean and Latin America."

"Ideologies no longer separate peoples; we are on the same planet and our leadership role should serve to keep human conflicts and the threat of the atomic destruction of mankind at bay."

"There is no hatred or racial discrimination in Latin America, and the period of superior man has passed."

"We have started a new history in Latin America, and we are working in the same direction, so that the world will not be for a few but for all."

"There is a 92-percent agreement in the thinking of Cuba and Brazil."

This last quote is an example of the improprieties our foreign minister uttered on that occasion. It is to be deplored that the current steward of Itamaraty's traditions, a man who has no professional experience in diplomatic affairs, should have abandoned the written text of an official speech and referred to the strategic imperatives of our foreign policy in such a strange tone.

The resumption of relations with Cuba was part of a policy of establishing normal relations with all peoples of the world, as far as that is possible. This, however, does not narrow the huge ideological gap separating us from that country, and the history of the Caribbean was not made by Brazil, and the history of Latin America was not made by Cuba. Nothing can separate peoples as much as ideologies. Brazil has no intention of exerting leadership over its neighbors or anybody else, much less of sharing leadership with Cuba. Unfortunately, hatred and racial discrimination still linger in Latin America. If we were to measure in percentage, certainly the conflict of thinking between the democratic regime we are trying to consolidate and the despotic regime that rules Cuba is more than 92 percent. The truth, therefore, would be to say not that we are working in the same direction, but in practically opposite directions.

A delicate mission like the first visit of a Brazilian foreign minister to Cuba since diplomatic relations were reestablished between the two countries should have required absolute precision in each word uttered by the minister who headed that mission. It is to be deplored that this was not so.

CENTRAL BANK PRESIDENTS SEEK SHORT-TERM CREDITS

PY190012 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Mar 87 p a 19

[Text] Last Friday night, the chairman of the creditor banks' advisory committee set a 20-line telex to 700 international banks reporting on a meeting held the preceding Wednesday in New York. [paragraph continues]

Present at the meeting were representatives of Citibank, Morgan Guaranty Bank, LLoyd's Bank, Chase Hamilton Bank, and Banker's Trust and the president of Brazil's Central Bank, Francisco Gros.

The telex says that during the meeting, Gros emphasized that Brazil suspended interest payments "because of an immediate economic need, not as a negotiating position." The President of the advisory committee refrained, however, from recommending that the 700 creditor banks renew lines of commercial and interbank credits on 31 March. The telex simply says that Gros affirmed that "he would like to see the lines of commercial and interbank credits continue to operate normally."

The telex was sent on behalf of the presidency of the advisory committee, which is comprised of Citibank, Morgan Guaranty, Lloyd's Bank, and the coordinators of Project 3 for Commercial Credit (Chase Manhattan) and Project 4 for Interbank Credit (Banker's Trust). The text also says that the Brazilian Government is formulating "an economic program for the next 3 or 4 years" to be presented to "the international financial community as soon as possible." It affirms that Gros expressed his interest in "meeting with the entire advisory committee (made up of 14 banks) as soon as possible" to discuss the renewal of the short-term credits on 31 March, and the Brazilian foreign debt situation.

The first paragraph of the telex refers to the assertion allegedly made by Gros that Brazil did not suspend interest payments on the long-term debt with the purpose of strengthening its position in the foreign debt negotiations. Soon after President Sarney announced the suspension of interest payments on 20 February, members of the advisory committee said that international banks would not permit brazil to use that decision to obtain an advantage in the payment terms of the foreign debt at the negotiating table. During the New York meeting, Gros requested help from the advisory committee to convince creditor banks to renew their short-term credit lines of $15 billion, which will expire on 31 March. In the telex, the president of the advisory committee stated that Gros would like to have those lines of credit operating normally. He refrained from making any recommendation, letting it be understood that the question will be discussed at the meeting of the entire advisory committee with the president of Brazil's Central Bank.

COVAS ELECTED PMDB CONSTITUENT ASSEMBLY LEADER

PY191328 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 19 Mar 87

[Excerpt] Senator Mario Covas has been elected PMDB (Brazilian Democratic Mobilization Party) leader in the Constituent Assembly. He defeated Deputy Luis Henrique by 143 votes to 107 votes. There were also 4 blank votes and 1 vote was nullified. Out of 305 deputies and senators in the PMDB block, 255 voted while 50 abstained. Covas needed 153 votes to win a majority. Upon hearing the results, Deputy Luis Henrique went to the podium to accept his defeat and to inform PMDB President Ulysses Guimaraes that a second round was not necessary. [passage omitted]

LABOR PARTY JOINS DEMOCRATIC ALLIANCE

PY180128 Brasilia Domestic Service in Portuguese 2200 GMT 17 Mar 87

[Text] Deputy Gaston Righi, PTB [Brazilian Labor Party] leader in the Chamber of Deputies, after meeting with President Sarney, reported that the PTB has joined the Democratic Alliance [AD].

[Begin Righi recording, in progress] ...the only thing pending is to formally establish our participation, but today it was clearly established in our talk with the president that we have joined the AD. [end recording]

GOVERNMENT AUTHORIZES 509 EXILES TO RETURN

PY180224 Santiago Domestic Service in Spanish 1600 GMT 17 Mar 87

[Passages within quotation marks recorded]

[Text] The government has authorized 509 exiles to return to the country, Interior Minister Ricardo Garcia reported after attending a ceremony marking the beginning of the Carabineros school term.

The interior minister explained that 509 exiles had been authorized to return to Chile.

[Garcia] "[in progress] ... today we have excluded from the list of exiles 509 names. In this way -- a moment please, I cannot see the numbers properly -- you remember that last time, when we authorized 305 people to return, the list of those who cannot return was reduced to 1,980. Now with these 509, the list is reduced to 1,471 names. The total number of exiles authorized to return since 31 December 1986, is 2,022."

Regarding a campaign begun a few days ago by a group of former politicians to hold free elections instead of a plebiscite, Minister Garcia said:

"I want to state clearly that within our institutionalization process we have always spoken of a clean, transparent, and faultless electoral process. When the electoral registration law was discussed, when I met with the different groups to discuss the political parties, when I commented on the voting and tabulation bill, I said clearly that the purpose of all this is to allow Chilean citizens to express their will in absolutely free, sacret, and precise terms. When someone speaks of free elections, he is encouraging confusion, since the establishment of an electoral system that will ensure freedom, secrecy, and precision, is an objective shared by all of us, especially the government. This is the desire of the Chilean people, a free electoral system. If it were not free, it would mean submission and lack of freedom, and thus be an offense to Chilean citizens."

The minister added that things should be clearly understood. He said he is talking about free elections.

"[In progress]...if we are speaking of a free electoral campaign, we are speaking of what I have just explained. This is a free election, if another term is used for it, let's give is a different name. Right now, our Constitution calls for a plebiscite to decide on the proposal made by the Carabineros and Armed Forces commanders. This proposal may either be accepted or rejected. Whether to approve or reject it is the free choice of each citizen, who may either say yes or no. To do otherwise would be to offend the citizen. Do not forget that if the Chilean citizens say no to the proposal, the result will be a confrontation or a competitive election for president."

Regarding the election and voting bill, the interior minister said that it was in its final phase of revision. One of the main purposes of the law is to ensure a clean elections process. Regarding the beginning of the Carabineros school term, Minister Garcia spoke of the responsibility with which the future Carabineros officers will have to act. He discussed the role of the Carabineros in our society. He said that all Chileans wish to live in peace and tranquillity, therefore the Chilean Carabineros enforce the law. In conclusion, the minister said that the Carabineros are representatives of security, justice, and of the country.

UP LEADERS DEMAND GOVERNMENT PROTECTION

PA181848 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 18 Mar 87

[Report by Jesus Garzon]

[Text] Today the Patriotic Union [UP] Party asked the government for better guarantees to carry out political activities and more security for party members.

UP leaders headed by parliamentarians, deputies, and councilmen have taken over the Meta governor's office, waiting for the government to take a stand on the wave of insecurity that the country is experiencing.

[Begin UP Secretary Carlos Efren Agudelo recording] My fellow UP leaders in Meta are demanding guarantees for their lives, as the wave of murders has started again in this region. There have already been 44 UP leaders killed, not counting activists and followers that have also been murdered since our movement started. [end recording]

The UP also reiterated its rejection of armed proselytism and said that the government should create guarantees for the 1988 electoral debate.

[Begin Agudelo recording] Basically, we want to demand from the president that the government come out and clearly say which are the real guarantees they are offering opposition parties like UP because we are tired and the country is tired of hearing daily speeches by high government officials talking about guarantees for the opposition and UP, and what we see in practice is the daily murder of our members. [end recording]

This afternoon the UP will meet with President Barco in the Narino Palace and will discuss public order and also the murders of UP leaders in the last few months.

ARMY IN PURSUIT OF ELN, ELP GUERRILLAS

PA192123 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 19 Mar 87

[Text] An intense military operation is underway in Norte de Santander Department after yesterday's bloody clashes between the army and the guerrillas in San Pedro, Teorama municipality. Here is the report:

[Begin reporter, in progress] ...to look for the assailants who entered San Pablo [name as heard], Teorama municipality, in Norte de Santander Department.

It was officially reported that 200 people are under preventive arrest and that troops found two stationwagons used by the assailants to attack the police station.

The brigade has not confirmed reports about the death of at least 10 rebels. It was unofficially disclosed today that those who attacked the station are members of a combined column of the Army of National Liberation, ELN, and the Popular Liberation Army, EPL.

INDUSTRIES, COMMERCE, INTEGRATION MINISTER RESIGNS

PA192113 Buenos Aires REUTER in Spanish 2015 GMT 19 Mar 87

[Text] Quito, 19 Mar (REUTER) -- Javier Neira, the Ecuadoran industries, commerce, and integration minister and president of the Andean Pact, resigned suddenly today and admitted to having failed in his effort to revitalize the subregional agreement. That is "one of my regrets, because despite the efforts and sacrifices we have made, the protocol that would modify the Cartagena Agreement remains only a plan approved at the technical level," Neira said after his resignation.

The reorganization of the Andean Pact -- an economic integration agreement signed in 1969 in Cartagena, Colombia, which currently links Colombia to Ecuador, Venezuela, Peru, and Bolivia -- was one of the objectives President Leon Febres Cordero adopted when he took office in 1984.

Government spokesmen said that Neira's resignation is an isolated case and that there will be no other resignations from Febres Cordero's Cabinet.

Neira said he was resigning for personal reasons after 31 months in the Cabinet. Government officials, however, view his resignation as the result of his failure to complete the negotiation of the reforms to the integration agreement.

Neira, who has been president of the Andean Pact since December, announced in February that acting on a request from Venezuela the meeting scheduled to take place in Quito on 16 February would be postponed for 30 days so that the five member countries could adopt the new legislation of the organization that has linked them since 1969.

The meeting scheduled for this month failed because Venezuela has not yet concluded its internal consultations regarding the new Andean Pact law. Another reason for the meeting's failure was the Bolivian Government's last minute objections to what is known as the "Cartagena Agreement's modifying protocol." Bolivia asked its Andean partners to recognize and ratify that landlocked country's hope of attaining a path to the Pacific Ocean, thereby ending the conflict it has maintained with Chile, which separated from the Andean Pact in 1976.

Neira said that yesterday he spoke by telephone with Bolivian President Victor Paz Estenssoro, who assured him that his country will sign the document and later pave the way for the reforms of the law proposed by the Bolivian Government. He also said that a date had not been fixed for the five countries to conclude the negotiations of the crucial legislation that will link their economies to each other in the future.

Since December of last year, Ecuador has been presiding over the Cartagena Accord Commission, CAC, the Andean Pact's executive ministerial organ. Ecuador will hold the office for 1 year.

Neira said that the main task of his successor, who will perside over the CAC, is to hold the Quito meeting for the final signature of the legislation to amend the Andean Pact. The meeting has been postponed twice.

A high government official has said that Febres Cordero will undertake urgent consultations to designate Neira's successor as soon as possible.

POLICE SCATTER UNIVERSITY STUDENTS WITH TEAR GAS

PA200304 Paris AFP in Spanish 1903 GMT 18 Mar 87

[Text] Quito, 19 Mar (AFP) -- Ecuador is currently undergoing strong waves of social disturbances due to the economic measures adopted by the government to cope with the disastrous earthquake the country suffered 2 weeks ago. The measures include an 80-percent increase fuel prices.

About 2,000 students rallied at the Quito Central University tonight. Upon leaving, they were scattered by police with tear-gas cannisters. Several groups, however, again gathered at the capital's center and caused a tremendous traffic jam. According to reports, about 50 students were detained.

In Salcedo, a city 105 km south of Quito, three students were wounded by gunfire when police searched the National Salcedo Secondary School "for weapons." The police said the cartridges discharged are different from those used in its own firearms. Some students, however, said that this was not true.'

OFFICER: HIGH COMMAND KNEW OF PLOT AGAINST FEBRES

PA191317 Madrid EFE in Spanish 0637 GMT 19 Mar 87

[Text] Quito, 18 Mar (EFE) -- John Maldonado, Ecuadoran Air Force captain who is one of the officers being tried for the kidnapping of President Leon Febres Cordero at Taura Air Force base on 16 January, has stated that the high military command was aware of the plot.

Speaking before the court martial in charge of trying the paratrooper commandos involved in the case, maldonado stated that the military intelligence services had reported to the high command about the plans for the uprising. He also stated that this uprising took place because there was an atmosphere of "distrust, anxiety, and uncertainty" of [words indistinct].

This situation dates back to 1986 when, after the military uprisings led by General Frank Vargas Pazzos, Febres Cordero requested the support of the Taura officers in order to "open the path for a military dictatorship," he insisted.

Maldonado denied that he was one of the leaders of the movement and disavowed the statements he had made to military intelligence to that effect, arguing he suffered from "psychological and mental instability" after 8 days in prison and physical maltreatment.

"I only tried to solve the problems together with Major Angel Cordova -- another one of the individuals involved -- and therefore we acted as mediators in order to prevent even more tragic results," he reported.

Throughout his 3-hour deposition, Captain Maldonado pleaded six times the right to remain silent, particularly when asked if he had had any contacts before 16 January with the commandos who rebelled and if Maj Angel Cordova was the leader of the uprising.

Cordova, for his part, denied having any knowledge of the plot, and stated that he and Capt Maldonado were only mediators between the rebels and government.

PEMEX DIRECTOR PRESENTS ANNUAL REPORT

FL191820 Mexico City NOTIMEX in Spanish 2036 GMT 18 Mar 87

[All figures as received]

[Excerpt] Tula, Mexico, 18 Mar (NOTIMEX) -- Pemex Director Francisco Rojas Gutierrez has said that the plunge in oil revenues, which totaled $8.5 billion in 1986, has warranted adjustments in work programs and drilling and an increase of spending control efforts.

Pemex's foreign sales experienced an overall disruption in 1986. This caused a reduction of daily crude exports to 52 clients in 23 countries from 1.5 million barrels per day to 1.290 million barrels per day, totaling revenues of only $5.272 billion.

The price of a barrel of crude plummeted from $25 at the beginning of 1986 to $12 at the end of June 1986. Meanwhile, the volume of oil production dropped, Rojas Gutierrez said in his report, released today in this city of the Central Mexican state of Hidalgo.

During the commemoration of the 49th anniversary of oil expropriation, presided over by President Miguel de la Madrid at the Miguel Hidalgo refinery, the Pemex director said that despite this, Pemex prevented jeopardizing the supply of hydrocarbons and safeguarded its role as an instrument to counter the economic crisis.

He said that despite its budget limitations in 1987, Pemex will never lose sight of its fundamental goals, and will ensure that its program adjustments will not undermine the organization's capacity to meet domestic and foreign oil demands.

As part of his report on 1986 activities, an event attended by almost all of the cabinet members, by the leaders of the Chambers of Deputies and senators, and by trade union leaders, Rojas Gutierrez said that last year's revenue losses equalled 89 percent of the merchandise exported by the rest of the country's productive sectors.

As a result of these losses, 59 drilling equipments were shut off, the work program was trimmed down from 912 to 811 projects; leasing budgets were reduced, and centralized imports of petrochemicals and basic lubricants were suspended.

Concerning primary production, Rojas Gutierrez reported that 53 new sites for exploratory wells were located, while 69 others were completed, mainly in the Campeche Sound and in the Mesozoic Chiapas-Tabasco area, in eastern Mexico.

Liquid hydrocarbon reserves totaled 70 billion barrels, and crude production was 2.428 million barrels per day, 202,000 barrels less than the production in the same period in 1986, he said.

Regarding industrial transformation, oil by-product production rose to 1.353 million barrels per day; gas production increased 10 percent, and petrochemical production was close to 14 million tons, he noted.

Domestic demand for oil products declined by an average of 2 percent, and only gasoline and fuel oil consumption recorded slight increases, he said.

Rojas Gutierrez explained that 311 billion peos were invested in 811 projects, while 89 others were completed at an investment of 375 billion pesos. These include the first phase to expand the Tula refinery and the 318-km gas pipeline, both of which began operating today.

In discussing Pemex's finances, he said that Pemex obtained revenues totaling 396 billion pesos, and that it paid 643 billion pesos in tax. He said profits totaled 747 billion pesos. At present, the foreign exchange rate stands at 1,096 pesos to the dollar.

Pemex reduced its foreign debt by $390 million, in accordance with the schedule to improve its financial standing, he said. [passage omitted]

PETRICIOLI TO SIGN $7 BILLION LOAN PACKAGE

FL191453 Mexico City NOTIMEX in Spanish 0000 GMT 19 Mar 87

[By Jose Carreno]

[Text] Washington, 18 Mar (NOTIMEX) -- Mexican Finance Secretary Gustavo Petricioli has stated the need to change the international financial system, noting that it is a mistake to isolate the debt problem from the concept of national development.

Petricioli is in Washington on route to New York, where he will meet with World Bank President Barber Conable, IMF Director Michel Camdesus, and U.S. Secretary of the Treasury Paul Volker.

Petricioli and World Bank Vice President Rainer Stekhasn signed a $250 million loan to help promote Mexican nonoil exports this morning.

In New York, Petricioli will attend the ceremonies of signing a $7 billion dollar credit with private banks, in line with the debt renegotiation undertaken in 1986.

Countries must restructure their debt along terms congruent with their real payment capacity, Petricioli said. He noted that Mexico is satisfied with the current system, but agrees with the idea to continue advancing toward a system that will lead to a solution of the foreign debt's true problem. He told the press that such a system must hold a relation with international trade, development, and social problems because it is a mistake to look at the debt as an isolated matter not connected to countries' development needs.

The Mexican finance secretary discussed the Baker plan describing it as an important contribution that emphasizes development and not only the servicing of the debt. I believe it was a great step. It implies a change from the previous system of automatic recessive adjustments, he explained. [passage omitted]

BRIEFS

MARIJUANA DESTRUCTION -- Saltillo, Mexico, 17 Mar (NOTIMEX) -- The first District Court of Saltillo, capital of Coahuila Department, has ordered the incineration of 1,100 kg of marijuana that the Federal Highways and Judicial Police confiscated in this state during the months of December, January, and February. [Excerpt] [Mexico City NOTIMEX in Spanish 0535 GMT 18 Mar 87 FL]

DEL VALLE, ARIAS SIGN JOINT DECLARATION

PA182320 Panama City LA ESTRELLA DE PANAMA 16 Mar 87 pp A-1, A-18

["Text" of joint declaration signed by President Eric Arturo Delvalle and Costa Rican President Oscar Arias Sanchez in David, Chiriqui Province, Republic of Panama on 14 March 1987]

[Text] Within the framework of the conversations, the two presidents discussed the reports presented by a commission established following an agreement signed on 21 January 1987 by the Costa Rican economy, industries and commerce ministers and the Panamanian commerce and industry minister. These reports were on the results obtained from the various development programs as compared to the Border Cooperation Agreement signed by the two governments on 3 March 1979, and according to the work program established by the Joint Declaration of the presidents signed in David, Republic of Panama on 19 March 1985.

Both presidents were pleased with the progress made and approved the work program prepared by the abovementioned commission that calls for short-, medium-, and long-range programs.

For the short-range programs, special emphasis is given to the projects and joint programs that are being developed in the region based on the progress made so far. Within this framework, it was considered that greater support should be given to the agricultural sector and the programs of plant and animal health. Likewise, it is necessary that efforts be made for implementing the management of the International Friendship Park.

On the subject of education -- as far as primary and secondary schooling is concerned, and based on the fact that Costa Rican students are receiving an education in Panama in the same manner that Panamanian students are receiving an education in Costa Rica -- it was considered necessary to create a high-level Binational Technical Commission that will study the technical aspects of adapting the curriculums. As for higher education, there is a possibility of improving the basic agreements that are in effect now, and of broadening the agreements signed between the University of Panama and the University of Costa Rica in order to develop joint programs along the border area. Joint action for professional training is recommended based on the Technical Cooperation Agreement signed between the National Apprenticeship Institute (INA) of Costa Rica and the National Institute for Professional Training (INAFORP) of Panama.

In the field of health, the presidents reiterated the support given to the activities that have been carried out successfully, and therefore it is considered very important to continue with this work and strengthen the support to the two countries' teams that are providing these services along the border area.

Concerning municipal development, it is proposed that a meeting be held between representatives from the municipalities along the border area in order to form a Border Municipal Development Plan. For a medium- and long-range term, and inasmuch as Costa Rica has already begun preparing a study for promulgating an Overall Development Plan for the border area, Panama commits itself to undertake a similar study. [paragraph continues]

These studies will make it possible to define programs of interest for both nations, and therefore, for preparing a joint plan. This plan, in turn, will facilitate the financing negotiations with the international credit organizations. At the same time, it was agreed to study a Rural Development Program that will include the high area of the Pacific area (Coto Brus Canton in Costa Rica and Renacimiento District in Panama).

In matters of land communications, both presidents agreed that the respective ministries should begin conversations in order to carry out studies and prepare corresponding drawings for the highway that join Rio Sereno and Paso Canoas (Dignity Road) as a binational program. On the other hand, it was decided that the geographical institutes of Costa Rica and Panama will continue with their task of updating the maps of the region.

In concluding, and according to Article 7 of the Border Cooperation Agreement of 1979, it was agreed that both governments -- through their respective planning ministries -- will coordinate the necessary actions in order to follow through and evaluate this work program, as well as the binational-institutional agreements that have already been established.

To this effect, the planning ministers will present for discussion and approval of this declaration -- the mechanisms that will guarantee the success of this program.

[Signed] David, 14 March 1987

BRIEFS

COOPERATION AGREEMENT WITH POLAND -- His Excellency Andrezj Jedynak, Polish ambassador in our country, and Panamanian Education Minister Manuel Solis Palma have signed a program of educational, scientific, and cultural cooperation for 1987, 1988, and 1989. The program includes activities in cooperation with the Panamanian education system and involves the National Culture Institute, the IFARHU [Human Resources Education and Training Institute], and the Education Ministry in the establishing and awarding of scholarships, exchanging specialists, donating material and equipment, exchanging publications, and exhibits. [Text] [Panama City MATUTINO in Spanish 18 Mar 87 p 35 PA]

COSTA RICA

ARIAS HOLDS NEWS CONFERENCE ON TOWER REPORT

PA120024 San Jose Radio Reloj in Spanish 2025 GMT 11 Mar 87

[News conference by President Oscar Arias Sanchez with national and international journalists at the Presidency -- live broadcast in progress]

[Text] [Reporter]... to demand the removal of Minister Danilo Jimenez Veiga. Also, [words indistinct] regarding the problems concerning the banana contracts, and that you are determined to keep in your cabinet a person who vowed to [words indistinct] the laws of the Republic has [words indistinct]?

[Arias] Approximately 3 weeks ago, in view of a letter sent by Deputy Rodolfo Mendez Mata, I submitted the matter to the Attorney General's Office in order to get an opinion. I have not yet received a reply, but, needless to say, I will respect any decision made by that office. The question is whether or not I should send this matter to the Legislative Assembly. However, as Danilo Jimenez has publicly said, and as he expressed during a government council, his actions were based on the circumstances and on the opportunities available during those difficult times for the cantons in the southern region. He is willing to have his actions investigated by the Legislative Assembly. I believe that when there is nothing to fear, there is nothing to hide. He is willing to appear before the plenary of the Legislative Assembly to explain the reasons he had to act (?the way he did). As Don Danilo has said, there are conflicting opinions. Some of them are respectable, such as the one expressed by lawyer Juan Jose Sobrado, who believes that the Legislative Assembly should be informed of all those transactions with the banana company. Don Danilo has also mentioned other views, such as the one voiced by Daniel Elizondo, the legal adviser or head of the Legal Department of the Attorney General's Office, who feels that they need not be sent to the National Assembly. So, as in any legal matter, everybody does not have the same opinion. My government must follow the Attorney General's recommendation, as that is what I will do once it is announced.

Needless to say, I believe that there is not a single Costa Rican aware of Danilo Jimenez Veiga's role in this country's public life who would ever doubt his intellectual and moral integrity. Whatever action he took, it was in the conviction that it was the best for the country. I also want to tell you that I agree with the general opinion of Costa Rican society, because we have known Danilo Jimenez for many years, as he has dedicated many years of his life to public service. He has also been in the United Nations, where there are no dishonest or dumb people. Therefore, I believe that the honesty of his actions cannot be questioned. In sum, I will abide by the attorney general's decision. If it recommends that the matter should be sent to the Legislative Assembly, we will submit everything concerning the transactions with the Costa Rican Banana Company.

[Moderator] Oscar Hoya of Univision will ask the next question.

[Hoya] Mr President, I have two questions for you. There have been reports in the international press stating that you -- your government -- received pressures (?a few months ago) from representatives of the Reagan administration so that Costa Rica could be used as a base against the Sandinista government. What can you add to this? It has also been said that there are sectors [words indistinct] U.S. sectors who sought your removal in view of your opposition to using the country as a base, or permitting its use as a base.

[Arias] With pleasure. We recently issued a communique, which I believe you have read. It was a presidential communique in which I noted that since 8 May, when I took office, I have told nine Latin American presidents and several vice presidents of other parts of the world who, together with the Costa Rican people, were present at the National Stadium during my inauguration that Costa Rica would firmly enforce its neutrality -- in other words, that it would respect the principle of nonintervention in the Central American conflict. This is a sacred right for the Costa Rican people. Neutrality, as our government and our country see it, is to prevent Costa Rica from becoming involved in military conflicts afflicting brother peoples in the region. The reasons for this are obvious, but mainly because we are an unarmed country, and becoming involved in one way or the other would mean that sooner or later we would have to arm ourselves. This would be against the desires of all Costa Ricans. It is true -- Urbi et Orbi -- that I said that Costa Rica would respect that neutrality.

I have not received any pressure. The press mentions pressures; however, it is a problem of (?definition). When my 15-year-old son asks me for permission to go to his cousin's home to play and I say no, that he must stay home, he insists that I must give him permission. At no time do I feel that my son is putting pressure on me. In the same manner, as I said, Ambassador Tambs requested of me that Costa Rica permit the contras to be helped on some important things in their struggle against the Sandinist government of Managua. I said no to him, because the promise I had made to the entire world on 8 May of fulfilling the people's desire to remain neutral (?in such) conflicts prevented me from allowing the use of our territory for aiding the contras.

As the days have gone by, from 8 May to the present, we have been sincerely and frankly increasing measures to prevent this territory being occupied by anyone -- by military forces -- attempting to destabilize other Central American countries with our agreement, our tolerance, or our complacency.

So, I would not classify that as pressure -- as has been said in the press -- but it is true that we have been asked to be a little bit tolerant, flexible, and accommodating so the contras can, at least where logistics are concerned, operate in Costa Rica.

As you are aware, recently we have gone to the extreme of telling the contras that they will have to choose between the right of asylum and the right to hold meetings here and administer finances. According to a dispatch datelined in Miami, the contras Alfonso Robelo, Pedro Joaquin Chamorro, and Dr Cruz presently can disburse the funds with which the contras are financed. If this is so, they really have no political place in Costa Rica. They have to choose between the asylum we give them, the hospitality that the Costa Rican people give them -- is must be made really very clear that they can enjoy this hospitality, but not act in a way that compromises our neutrality, such as military activities. Managing money from here undoubtedly implies their involvement in military actions.

[Miguel Barbosa from Radio Colombia] Don Oscar, you referred to the actions of the rebels in the military sphere. However, you [words indistinct] your decisions to improve Costa Rica's image was to get the Nicaraguan rebels and their leaders out of our country, but that the Reagan administration exerted pressure so you would not act in such a manner, and only the top leaders [words indistinct]. I would like you to cover this.

[Arias] You have not been informed correctly.

[Melendez] Jose Melendez of EXCELSIOR Mexico. Don Oscar, if the airstrip in the northern zone was used by the United States to supply the contras before your administration, as you said, what is the responsibility of the United States and President Monge's administration in Nicaraguan Government's bringing charges against Costa Rica at the International Court of Justice [ICJ]. Second, does that justify Nicaragua's charges against Costa Rica at The Hague court?

[Arias] I do not feel that Costa Rica should have been accused at The Hague court. President Monge has also explained to the country and internationally what his reasons were for allowing the construction of that airport. But because I was in Mexico, I did not know the contents of the Tower Report, and it was not until Guido Fernandez came and showed me, tucked away on a page, the statement that the airstrip had been used on 10 June. If this is so -- because after all, more investigations will follow in the United States: one in the Senate; another one in the House of Representatives, which Congressman Lee Hamilton is coordinating; and another one is run by, as you know, Mr Lawrence Walsh. If, in fact, it is discovered that the airstrip was used on those dates when we had no civil guardsmen posted there, as I have already stated, this would force us to address a most forceful protest to the U.S. Government if the airstrip was used with that government's approval. This is being handled by the foreign minister through the proper channels, because I really do not know if that airstrip was used with Washington's approval and consent.

In addition, I think it has been made very clear that since 8 May, I have notified the U.S. authorities that the airstrip would not be used by anyone for anything. If this has been done without my knowledge, it would cause me some grief, a certain hurt, a certain sadness; hence, our protest to Washington through our Foreign Ministry.

[Name indistinct] Mr President, now that you have analyzed the Tower Report, what do you think the implications will be of Costa Rica's [word indistinct] at the ICJ.

[Arias] I am not the best person to answer this question, because the truth is that we have our lawyers; they are the ones who have the knowledge and the opinions to determine what implications it could have. What is true for the ICJ is that if that airstrip was used, it was not with our agreement; it was not with our tolerance; it was without our knowledge, against the desire and the will of the Costa Rican Government and people.

[Todd] (Michael Todd), Voice of America. Mr President, I want to know if Costa Rica is carrying out its own investigation to determine whether the airstrip was used during your administration.

[Arias] Yes. When I spoke with the public security minister, he told me that he feels that it is very unlikely that the airstrip was used, because -- at least between 8 May and 4 June, if my memory serves me right -- the airstrip was guarded by civil guardsmen. Upon protests by the Guanacaste community and opposition deputies, who deplored the fact that we were protecting a private airport when there are not enough policemen to protect the rest of Costa Rican society, the public security minister was forced to withdraw these guards, these civil guardsmen, until the beginning of September. At that time, the minister publicly announced that a group of civil guardsmen, who are still there, returned.

So, if it was used during that time... [changes thought] public Security Minister Hernan Garron has told us that he made some studies and that the rainy season and the growth of grass made it quite impossible for airplanes to land there, especially airplanes of a certain size -- in addition the Tower Commission said that the plane which landed there on 10 June was bogged down in the mud. So the reports we have is that it was very dangerous, very difficult to use that airstrip. However, I have requested Minister Hernan Garron to go much further in our own investigation because, after all, not everything that is declared in the commissions in Washington is necessarily the truth.

[Acosta] Ruben Acosta, UPI. Mr President, the Tower Commission affects Costa Rica in several ways. You say that you did not speak in person or by telephone with Lieutenant Colonel North. Did you speak with General Poindexter or with anybody else who really threatened Costa Rica with cutting off aid if it did not agree to aid the contras?

[Arias] I have stated many times already that it is not true, that at no time has financial aid to our country been made contingent upon my modifying Costa Rican foreign policy. I have also stated that I never spoke with Mr North, either by telephone or in person -- or much less with Mr Poindexter.

[Lobado] Isabel Lobado, AFP. Mr President, I would like to know if the Costa Rican Government has had any indirect communication with the U.S. Government regarding the Tower Commission Report and the matter of the probable use of the airstrip by the counterrevolutionaries during your administration, and concerning the part played by former Ambassador Tambs.

[Arias] Yes. As soon as I was advised by Guido Fernandez about the Tower Commission regarding the use of that airstrip, I issued on that same day a presidential statement, as you all know. I am not going to repeat it because you are all similar with it.

Also on that occasion, I reported that I had asked Foreign Minister Rodrigo Madrigal Nieto to file a formal protest to the State Department over what the Tower Commission had said. I think the foreign minister either has done this already or is about to. I also think that from one diplomat to another, from a foreign minister to another, Madrigal will present to Mr Shultz the need to clarify also whether the Potrero Grande landing strip was used on 10 (?July) with the U.S. Government's permission.

[Name indistinct] ATLANTA CONSTITUTION. LA NACION this morning reported that the former CIA director came here last year to meet with you. I would like to know whether this is true and, if so, why did you deny that you met with the CIA director.

[Arias] I suppose that when someone like the CIA director travels, he must of necessity take security measures. Therefore, I suppose (?such) trips take place in secrecy. These trips are not reported beforehand, but are reported after the end. The press finds out whether the trip occurred or was concluded. Such trips, however, are never announced beforehand. I think the fundamental reason for this is the security of the director of so important an agency as the CIA. This is why it was not publicized here that William Casey was visiting several Central American countries. When he arrived in Costa Rica, I was told he would like to meet with me.

I replied I would like to meet with him at my home, just as I welcome everybody, including Mr Habib, Mr Shultz, Mr Abrams, Mr [name indistinct], or representatives of other governments. I welcome them either at home or at this office, without any secrecy whatsoever. Generally speaking, once the news media learn that we have met with some important person, they wait for us at the door to see if we might have a joint statement to make or at least a report on the topics discussed during the conversation. It is very difficult to hold secret meetings in this country. (?It would be better if it did not happen to me), to hold some secret meeting. So I told him I would gladly welcome him provided we (?appear together on Channel 1).

I was told this was not the best thing to do. So he did not meet with me, but met instead with other officials of my government.

[Mayorga] Armand Mayorga, LA NACION [Words indistinct] the Costa Rican Government and criticized the Costa Rican officials who have told U.S. news media that you had been pressured.

[Arias] Well, I think this has not been said. I repeat what we have said at other times [words indistinct]. I have denied we were pressured. We were indeed asked to change our policy regarding the contras; probable activities in this territory. Neither I nor any official of my government -- should anyone have done it, he would have acted under a wrong interpretation -- have ever been pressured politically to be more flexible and allow the contras to operate in Costa Rica.

[Reporter] What did Casey talk about with officials of your government, Foreign Minister Madrigal and your brother the minister of the Presidency?

[Arias] Please ask him, I mean them, because I was told about this in a hurry many months ago. Nothing really important. [words indistinct].

[Question indistinct]

[Arias] We discuss the contras with everybody, the press, and whoever invites me. The topic that always comes up is the contras [words indistinct] in Nicaragua. This is why the speech [words indistinct] did not include anything important. This is what we tried to explain to the newsmen this morning. We told the foreign minister: We understand this is not important. I did not attend the meeting, therefore, I do not know what they discussed. I was told, however, that the usual topic had been brought up. It was the routine topic. I really do not know. Either Rodrigo Arias or Madrigal would gladly give you the information, provided they can still remember exactly what they had discussed. There will not be any problem with that.

[Alvaro Campos] [Words indistinct] Mr President, the Tower Commission and the contras' presence in Costa Rica have jeopardized the neutrality principle. What will your government do to recover both credibility at home and Costa Rica's international image? My other question, if you will allow me sir, is this: Will the Tower Commission and the other investigations under way contribute somehow to lower or increase tension in Central America?

[Arias] As you know, we should discuss this as (?part of) of our peace proposal. We go to Esquipulas, we go to Guatemala, hopeful that there we will be able to find a peaceful solution for the problems that (?harass) Central America.

Regarding the rest, I think the things you mentioned earlier work the other way around. I think the Tower Report is very favorable to Costa Rica; it is very favorable for this government. If it is true that we were asked to change our position, the Tower Report proves that I did not, despite the suggestions made about us being more flexible. The press has talked about pressures, but I do not feel they have been really pressures. I would be lying to you if I told you that the requests made to me have been pressures, blackmail, or conditioning of U.S. foreign aid to a change in Costa Rican policy toward Central America.

Quite the opposite is true. We have continued to advocate our initial 8 May proposal to the world at large -- that is, to seek an alliance for democracy and liberty. We waited a long time. Nine months passed. Finally, Costa Rica presented to Central America its own proposal on 15 February. Four years have passed since Contadora initiated its negotiations toward an agreement -- peacefully, through negotiation -- to solve the problems in this convulsed region. After waiting for so long, we took up the gauntlet that Contadora threw down to us. Let us remember that the Contadora countries always said that they and the Support Group have always participated in this because there was no desire or willingness by the Central Americans themselves to settle their own problems. Because Costa Rica does not pose a problem for Central America -- this is a well-known phrase by Carlos Jose Gutierrez -- but Central America does pose a problem for Costa Rica, we believed we could present our own peace initiative. We have been doing this. We will continue in this direction, on this same path.

I think you have been given a resolution proposed by Senator Sanford, which has been signed by senators from the two parties, the Democrats and the Republicans. We hope such a proposal is approved, because one of the fundamental objectives, one of the fundamental purposes of my peace initiative is to achieve a bipartisan policy in the United States for Central America. A good omen is a token of good results. If senators of the two parties sign this resolution presented by Senator Sanford, we are entitled to hope this bipartisan policy can emerge in Washington and that we can soon attain a peaceful, negotiated solution for Central America.

[Reporter] Excuse me, Mr President, but I asked whether the Tower Report would decrease or increase tension in Central America.

[Arias] Well, it all depends. The report does not necessarily lead to either of the two effects. I believe that the important issue is our initiative, just like the Contadora initiative. The Tower report forces us to pick up the initiative again and continue with that proposal, and to continue working until we meet in Esquipulas to see if we can really achieve peace, and we will have thus eliminated all those [words indistinct] frictions.

[Araya] (?Carmen Araya, TELAM). Mr President, I would like to know if Mr [name indistinct] delivered a letter to George Shultz. Is this true?

[Arias] I think this is false, because this means the letter was delivered before the foreign minister wrote it. How could he deliver it if it was not written? I think that as soon as the letter is written we will send it, either through the mail or through some envoy. As I said earlier, within the next few days Rodrigo Madrigal is going to send a letter to the U.S. secretary of state, as I announced through a press communique [words indistinct].

[Mora Paz] Victor Mora Paz. Mr President, the BOS, the Southern Opposition Bloc, sent a letter to the Central American presidents -- including you, of course -- on 15 February. In this letter, the BOS admits it is receiving $5 million for military assistance and, in addition, it is waging an armed struggle against the Sandinist government. The BOS has settled in Costa Rica, and the letter signed by Alfredo Cesar admits this fact. What will your government do about this?

[Arias] The BOS said that it has received a [figure indistinct] percentage of the $100 million, in order words $5 million. That is what allows them to have a small office here in [word indistinct], and at no time does it admit -- because it is not true -- that the money is spent in military activities.

[Mora Paz] Excuse me, [words indistinct] but in a paragraph it specifically says they have been forced to wage an armed struggle with the FSLN, that has denied them a political space. The letter specifically speaks of armed struggle.

[Arias] Well, I would imagine that there are BOS people among the guerrillas in Nicaragua. That is evident. I do not know where they are or how many there are. But when [words indistinct] it has been repeatedly said that their stay here -- and the same goes for the UNO [Nicaraguan Opposition Unity] gentlemen -- should be only for political activities. Now, I do believe everyone is aware that the BOS has infiltrated Nicaragua. That is true.

[Mora Paz] Thank you.

[Quezada] Olga Quezada, NOTICIAS. How will that protest letter be drafted? What instructions have you given to that effect?

[Arias] I leave it up to the intelligence and good wisdom of the foreign minister. He will present it to me in due time.

[Moderator] Now that all questions in Spanish have been answered, the president will answer questions in English. [station returns to studio]

EL SALVADOR

PRESIDENT DUARTE DISCUSSES ECONOMIC POLICY

PA192305 San Salvador Canal Doce Television in Spanish 1900 GMT 18 Mar 87

[Report by Carlos Armando Rivera]

[Text] Today, President Jose Napoleon Duarte said that despite pressures from international organizations, the government will not approve a new currency devaluation. Duarte attended the inauguration ceremony of a seminar of the Central American Institute of Business Administration. Duarte said that the national economy is in crisis and could worsen due to the increase in oil prices and the drop in the prices of coffee, cotton and sugar, the main export products. Due to this situation, Duarte urged changes in the development policy by promoting exports of national products and modifying the imports policy, particularly of luxury items.

[Begin Duarte recording] To this we must add the fact that the ratio of our exports to our imports results in a deficit, and we have gotten used to -- this proves a dangerous thing in our economy -- consumerism and the demand for products we do not manufacture. If we do manufacture them, 90 percent of the raw materials, inputs, and equipment we use are foreign made. All this makes our country absolutely dependent on the world markets. [end recording]

Duarte also said that the government is trying to make his economic model work considering the circumstances despite criticism by the country's conservatives, who label the reforms as socialist.

[Begin Duarte recording] The country is suffering a truly dramatic economic crisis. We cannot ignore this. Because of this dramatic situation, the people at large have been restive. This dramatic situation, not only economic, but political and social, has been occurring for at least 50 years. The solution presented was a simple one. Mr Rodriguez Port, who has been working on this, [as heard] was a member of a junta in government in 1966. He ordered people murdered. This is the order he gave from his junta post. As a result of this, a period of violence ensued in the country. The opposition parties, who rend their garments now and say it is necessary to advocate all that Mr Steiner proposes, forget that they are responsible for the thousands of guerrillas in the mountains because they did not want to give them a chance. [end recording]

Regarding the coffee price drop, Duarte has said that a government delegation will go to Nicaragua this weekend to seek a consensus with all of the Latin American countries for an understanding with the International Coffee Organization. Otherwise the Third World countries' economies might collapse.

RESIDENCE OF ASSEMBLY PRESIDENT ATTACKED

PA191557 Panama City ACAN in Spanish 1530 GMT 19 Mar 87

[Text] San Salvador, 18 Mar (ACAN-EFE) -- It has been officially reported that the residence of the president of the Salvadoran Legislative Assembly was subject to a machinegun attack early this morning.

Police reported that Assembly President Guillermo Antonio Guevara Lacayo and his family were not hurt in the attack. However, it is not known whether or not other people may have been injured.

According to the National Police, the attack was repulsed by Guevara Lacayo's security guards. Guevara Lacayo, who is also a high-ranking Christian Democratic leader, lives in Miravalle neighborhood in northeast San Salvador.

The police were unable to determine if the attack was perpetrated by urban commando guerrillas or by ultra-rightist groups.

Lacayo Holds News Conference

PA192154 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 19 Mar 87

[News conference with Legislative Assembly President Dr Guillermo Guevara Lacayo by unidentified journalists at the Supreme Court Building; no date given -- recorded]

[Excerpts] [Question] Dr Guevara Lacayo, do you believe that the FMLN pamphlet being left at your residence after it was attacked could be part of a strategy by the extreme right?

[Guevara Lacayo] It is not too difficult to reach that conclusion. I do not want to prejudge, but in recent days there have been verbal attacks from extreme rightist sectors, and last night, coincidentially, there was this attack supposedly by the extreme left. But as you have said it is strange for the left to leave a card saying they did it when traditionally what they have done is make calls to the newspapers and, especially, and more reliably, report through Radio Venceremos.

[Question] U.S. Embassy intelligence reports say that rightist political groups that have emerged in recent days have armed militants. What can you say in this regard?

[Guevara Lacayo] I know nothing about those reports, but it is evident that extreme rightists have implemented so-called death squads that have never been completely dismantled in spite of government efforts in that direction, and it is possible that there could be remnants of such groups that have decided to start mobilizing in view of forthcoming political events in the country.

[Question] Have you been threatened?

[Guevara Lacayo] I have received no threat but I have been attacked, as in 1980 when I was attorney general and I had put on trial a local politician for his participation in criminal activities such as a foiled coup d'etat that was uncovered. [passage omitted]

[Question] What about the parliamentary strike?

[Guevara Lacayo] The parliamentary strike is more imaginary than real, as I have said on several occasions. We have basically reached an agreement with the PCN [National Conciliation Party] but they have to talk with ARENA [Nationalist Republican Alliance], I imagine, and I do not think that the strike will end today. However, there is already, practically, an agreement with the PCN so no one has predominance over anybody at the electoral tribunal and there is juridical and administrative equity.

[Question] [Words indistinct]

[Guevara Lacayo] That's an interesting question but perhaps you are thinking that because of some political ambition, efforts are being made to stop my nomination early, but I am not going to be a presidential candidate so they are shooting in the wrong direction. [passage omitted]

In my opinion extreme rightist have decided to finish off the Christian Democratic Party, both, its leaders and the political institution as such, and to recover the power they had before. There is basically a search for power and also a bill they want us to pay because of some things that were done in the past, especially, the breaking of their economic structure with the agrarian reform, and the nationalization of banks and foreign trade. If they want to bill us, let them send us a political and ethical bill and not actions to discredit people. Let them present their bill at elections, and if they win, so be it, but let them win clearly and let them not attack our physical integrity.

[Question] PDC militants wonder why, if they know about these plans, attacks, and systematic violations of the law, why doesn't the government apply the law?

[Guevara Lacayo] [Passage omitted] We are seriously considering the possibility of filing suits and legislate a constitutional principle that has to do with respect for people. It is not possible to have unscrupulous people make groundless charges against politicians for the sake of political interests. [passage omitted]

HONDURAS

AZCONA COMMENTS ON MISMANAGEMENT OF U.S. AID

PA111933 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 10 Mar 87

[Interview with President Jose Simon Azcona Hoyo by correspondent Trino Murillo in Azcona's residence; no date given -- recorded]

[Excerpts] [Azcona] Well, last week I learned about the remarks made by presidential designate Jaime Rosenthal Oliva to the CBS television network. When I asked about it, he did not mention any percentages. He said that there was corruption in previous administrations and that some of the U.S. aid had been lost. Regarding previous administrations, I think that [words indistinct]. It seems to me that the reporter took that for granted, but Rosenthal Oliva did not. As far as I am concerned, I did not. If (?he said that) some of the U.S. funds were mismanaged in previous administrations, I do not want to say anything on this matter. However, I would not have said that.

[Murillo] Do you disagree with that remark?

[Azcona] It is not a matter of my disagreeing with it. He has his own way of thinking, and he has expressed it. I am not going to...[changes thought] the state has control mechanisms to determine whether there has been any mismanagement of funds in previous administrations.

[Murillo] Does this mean that there are some differences between your views regarding the aid and those of the presidential designate?

[Azcona] Not really, because it depends on each person's view. Presidential designate Jaime Rosenthal Oliva is a close presidential adviser on economic and financial matters. Therefore, it is a matter that falls within the category of expressing one's own view.

[Murillo] Is this what you have said on behalf of your government?

[Azcona] I, as the president of the Republic, cannot accuse any of the officials of the previous administrations. I have to proceed according to that which is stated in the reports that I receive from the Comptroller's Office. I cannot speculate, saying that the previous presidents stole or did not steal money. It is Rosenthal's accusation. He made that accusation and that is that.

[Murillo] Is there any difference in opinions between you and the engineer [Rosenthal]

[Azcona] There are no differences concerning matters that are good for the country, or regarding monetary or fiscal matters. [Words indistinct] my help in those matters.

[Murillo] What about the AID proposals and programs?

[Azcona] We may have some differences regarding those. I believe that the AID programs are well oriented. It seems that in another part of his interview Rosenthal said that part of the U.S. aid is oriented toward the business sector. That is his view. There are many AID programs that are aimed at the social sector. There are funds for education, health, housing, and urban development. An agreement on urban development was signed this year, [corrects himself] last year. It amounts to $35 million worth of aid. So all this is aimed at the social sector.

Of course, the business sector does benefit from these funds because houses have to be built, and the construction companies belong to the business sector. They take their share of the profits. Something similar can be said about the development of the agro-industrial and cattle sectors. Those projects are aimed at the business sector.

However, in general terms, (?although not oriented toward the) business sector, that sector always benefits from these programs. In other words, it is a view expressed by Rosenthal. It is his own view, but I feel that these programs are well oriented.

[Murillo] Then, it is explainable that 50 percent of the aid to the government is allegedly badly oriented. This aid is specifically aimed at benefitting the economic community rather than sectors affecting a country's social development.

[Azcona] This is what I am telling you. For example, part of the aid for economic stabilization goes to programs to develop the cattle fund, [word indistinct], and other funds, and they become oriented toward the business sector. It is his view, perhaps, that he wants all aid to go to the social sector directly.

However, at no time did he say that the funds were mismanaged, stolen, or squandered under this administration. He was referring to programs [words indistinct]. They were not used incorrectly, either. They were oriented, I said badly oriented, but he said they were oriented toward the business or commercial sector. Those were viewpoints expressed by Rosenthal, and I do not agree with them. I believe that if we have to develop Honduras' cattle sector, we have to channel funds to that sector.

The Honduran people, after all, will benefit from it without going against the fact that most AID programs are oriented toward the social sector.

[Murillo] How can one interpret a disagreement between the president and a presidential designate who is allegedly advising the president on economic matters? This must have a negative effect on matters related to the approval of funds that help your administration, Mr President.

[Azcona] I do not think it is that big a problem. It is a matter of viewpoints, as I told you. Regarding certain matters, I can say that I would rather spend more funds on education or other sectors It is just a matter of viewpoints involving two people who are each entitled to their opinion. The truth is that the funds that this adminstration receives are being spent honestly and in accordance with the programs that have been drafted and the agreements signed with AID.

[Murillo] You will not permit the manipulation of any interest aimed at undermining, for example, the willingness that you have to implement projects regardless of their type [words indistinct]?

[Azcona] No. We have discussed with AID officials the advisability of allowing the government to hire personnel so that the salaries that will be paid under the donation portion of the programs will be in line with the government salary scale. In that way, we will avoid big salary differences that could result in problems for the administration.

[Murillo] What will be the U.S. Government's reaction when there is an attempt to approve $300 million in aid for Central America if we tell them that we are not interested, and when they realize that the leaders of this country are playing down the importance of the actions carried out by international organizations?

[Azcona] I am not playing down the importance of...

[Murillo, interrupting] I am referring to the presidential designate.

[Azcona] The presidential designate [words indistinct] is a presidential designate.

[Murillo] However, he is a close adviser on economic matters.

[Azcona] He is a close adviser, but his views on any matter do not have to be necessarily accepted as valid. The people must know that I am the president of the Republic. He is a presidential designate who received the same numer of votes that I did. However, the president of the Republic asked him to help him in the financial and economic fields.

[Murillo] Is it true that [names indistinct] of AID expressed their concern over those remarks?

[Azcona] We talked about other matters, but they also expressed their concern. They showed me the same paper you are showing me right now: The remarks CBS reported as stated by the presidential designate and those made by Mr. O'Connors [not further identified].

[Murillo] [Words indistinct] presidential designate to a newspaper confirming that [words indistinct]?

[Azcona] He confirmed what he said and what he said is quite different from Mr. O'Connors' comments. For example, he said that in the future, [corrects himself] in the past, pardon me, part of the aid that the United States gave to Honduras was lost because of the corruption in the public administration. This is what the presidential designate said. It is what...

[Murillo, interrupting] Do you understand it that way, Mr. President?

[Azcona] This is what it says in this paper you are showing me, isn't it?

[Murillo] It said that half of the aid supplied by AID, well...

[Azcona, interrupting] He said it here. It says: Jaime Rosenthal [words indistinct]. There was alleged corruption in Honduras. [passage indistinct of Azcona speaking English].

[Murillo] What does it mean?

[Azcona] It says that Jaime Rosenthal, the vice president -- but in Honduras we have no vice president; we have a presidential designate -- said that there was previously corruption in Honduras and that many of the funds supplied by the United States were lost. This is what he said.

[Murillo] However, he says also that up to now, referring to your administration, 50 percent [words indistinct]...

[Azcona, interrupting] What he said, at present -- you do not have that page, you did not bring that page -- (changes thought). The vice president also said that currently, approximately 50 percent of the U.S. aid is oriented toward the business sector. That does not mean that the funds are being lost. That is what he said: It is being oriented toward the business sector.

[Murillo] He said that it has been incorrectly invested.

[Azcona] [Words indistinct] It is a matter of opinion. I would have been worried if he had said that the money was lost. When he said that the funds were lost, he was referring to the previous administrations. [sentence as heard]

[Murillo] However, the interesting thing is that you will not permit views that differ from yours in matters such as foreign investment [words indistinct].

[Azcona] In this case, the opinion of the presidential designate is not shared by the president. However, he is entitled to his opinion.

He could say that the funds oriented toward the business sector should be solely oriented toward the social sector. I understand this. It is a matter of opinion. However he has not said -- and you cannot show me where it says that on the paper -- that the funds are being lost. He said that in the past part of those funds were lost.

[Murillo] However, the U.S. Embassy is worried about this.

[Azcona] They should be concerned because the programs are jointly drafted by the United States and Honduras. It is also true that the United States will not implement a program in any country if the government of that country does not want it. [passage omitted]

[Murillo] Is it true there is a leftist plant to destabilize your government?

[Azcona] Well, I think that the left, the extreme left, let's not speak in general, but specific terms, the extreme left wants to destabilize all the governments it can, just like the Christians in the beginning wanted everyone to be Christian, and they went everywhere to accomplish that. That is why we are Christians and not pagans. In like fashion, the extreme left wishes there were a revolution everywhere to establish leftist governments. It is nothing new. The extreme left wants to destabilize the governments of Cerezo, Alfonsin, and even that of Alan Garcia. It is nothing new. [passage omitted]

[Murillo] Moving to another subject, what do you have to say about the investigation you said the Armed Forces are conducting concerning the Iran-contra case and the involvement of certain military officers in arms traffic, as well as the congressional motion, accepted by the plenum, saying that the Armed Forces should not be punished because of two or three people involved in this scheme?

[Azcona] I think that the Honduran Armed Forces are on the way to professionalization and normalization in all senses. [Words indistinct] I believe we can say there is already normalization. I believe that during the next 3 years it will become an institution that will have a normal path without any problems.

[Murillo] Even with the [words indistinct] those involved?

[Azcona] I cannot tell you if it would be good for this to be made public because it has not been proven that the arms trafficking exists. There are bad elements in all institutions. I believe that there is always at least one person who could be a negative factor for the Honduran Armed Forces' interest. The same can be said among engineers and even the clergy. It would not be surprising. The institutions must be viewed in an overall way. I can tell you that the Armed Forces are doing well, always seeking the professionalization and stability of all the members, as well as the security of the Armed Forces members and their families. [passage omitted]

Rosenthal Responds to Comments

PA121442 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 10 Mar 87

[Telephone interview with presidential designate Jaime Rosenthal Oliva by Voz de Honduras announcer -- live]

[Excerpts] [Rosenthal Oliva] Good Morning. I want to clarify or perhaps answer any questions that you may have regarding the statements I made to CBS. I want to explain the origin of the report because when a comment or a report is taken out of context, the results could be different from what they were meant to be. CBS is conducting an investigation on how the AID funds have been spent and how the AID has helped in the development of Central America.

The reporter asked how it could be possible that in a country where the United States had recently invested large quantities of funds -- and he mentioned that, in the past 7 years, the United States invested $1.25 billion and other international organizations had invested a similar sum -- the growth rate remained so low.

I never mentioned 30 percent or 50 percent. [not further identified] When one normally [words indistinct]. The reporter, who is a very important journalist at CBS, Mike O'Connor -- he reads the news of CBS, the largest U.S. network -- asked me if I could estimate the figure at 30 or 50 percent.

I did mention that, in the past, I was not referring to a particular administration -- but this is a comment I feel you have made and everyone else has, also -- there was much corruption in Honduras, and this has prevented the foreign aid from helping the way it should.

The Honduran people voted for Azcona because it involved a substantial change in what we understand in Honduras as honesty and the good management of funds. For this reason, I established a difference between what this government is doing with the funds and what was done in the past. We all know that many public officials made a lot of money illegally before. I think that by hiding this, the country is not helped in its present situation. Everyone knows this. Foreign reporters, politicians, and Honduran reporters know this.

There has been corruption in Honduras, and the duty of the present government is to fight it. In order to fight it we have to report it. We cannot say there has been no corruption in Honduras because the people would say: What liars! These politicians are liars; just because they got in office they are now adjusting to the circumstances. We must admit that corruption has been an evil that greatly affects us. The only way to fight it is by reporting it and telling the truth.

No country in the world likes a country that is run by liars. If I went on a U.S. television network and said that everything is great here and all the money that we receive is spent well, they would say that I am a liar and that they had better not give us any more aid because we cannot even admit the truth. So, what I did was admit a reality which the media has fought and which Azcona's government fought in the campaign and is fighting at the present time. We have maintained the idea that we first have to eradicate corruption to help the country progress.

[Announcer] But did you or did you not say that 50 percent of the aid received by the current government is poorly distributed?

[Rosenthal Oliva] Let me repeat exactly what I said. If you see the transcript that has been distributed, O'Connor said that I said that even at present, part of the funds that AID donates to Honduras is being incorrectly distributed and is being squandered on economic studies and high salaries for a bureaucracy that is no good for the country. I said there were funds that were incorrectly distributed. I clearly said as an example that the AID was giving funds to a school in San Pedro Sula that my children attend, and I am fully capable of paying for their studies. All those who have their children there can afford to pay for their studies. However, in the meantime, the Lopez Arellano neighborhood has no school, the John F. Kennedy School is falling apart, and there is no school in the Rivero-Hernandez neighborhood.

What I said, and maintain, is that U.S. aid should be aimed at the poor of Honduras and at productive activities. I did not say that the business sector should get no aid. I said that productive activity should get aid because it results in profits, jobs, and an increase in the country's aggregate value.

In addition, it improves the country. However, I cannot accept the United States saying that it gave $600,000 a few years ago for a U.S. company to give us advice on the reorganization of the foreign debt. The United States will say we are doing this for free; we are charging no one.

There is a company called the Lewis Berger Company which was making million-dollar studies throughout Central America. It made the same study in Honduras, Guatemala, and Costa Rica, and it charged each country for it. There are other companies making similar studies. When the industrial park study was made, it was made for each Central American country, and it was sold to each country for a lot of money. When one complains he is told: It is not your money, it is the AID money. No, gentlemen, that is not the case because the entity that approves the amount of aid to go to a country is the U.S. Congress. It is not the U.S. Administration. The U.S. Congress wants things done correctly and honestly.

Therefore, to the extent that we admit mistakes are made and we want to correct them, we will get the U.S. Congress to think there is honesty, dignity, and know-how in this country. They will know that we know what we want and that we want to do the right thing with the U.S. aid. This way we will be able to get more aid.

When a U.S. senator comes here to find out about the U.S. assistance, no one knows where it went because a share of it goes to technical studies. However, when you go to a country helped by socialist countries, you see hospitals with big signs that say donated by the Bulgarian people or schools that say donated by the Soviet people. I am more progringo that most people, I am not antigringo, but I feel that the aid should go to the poor. [words indistinct]

What is happening in Honduras right now, precisely because of the way the aid is handled? The Honduran left is conducting a campaign saying that the military presence of the contras in Honduras is tied to the U.S. military presence in Honduras. Therefore, they say: Foreign troops get out! We must kick the contra and gringo troops out!

We must clearly establish that they are two completely different things. Honduras needs U.S. military presence. Honduras needs the protection of a powerful ally who can help us. This is also true concerning technical assistance. CBS did not say this, but Honduras cannot progress or even exist if it does not receive U.S. economic and financial assistance in bigger amounts. I also told CBS that it would be cheaper for the United States to give us this aid now rather than wait until Honduras has a problem like Nicaragua's. If it waits, the United States would have to spend many more millions of dollars to rescue a country [words indistinct]. [passage omitted]

[Announcer] In the past 5 years, the Honduran Government has received $1 billion in economic and military aid. In 1986, the Azcona administration received a total of $125 million in economic aid and $81 million in military aid. In the current fiscal year, the Azcona administration will receive $131 million in economic aid and $61 million in military aid. Therefore, there is a trend to give more economic than military aid. According to the report, of the 250 million lempiras [as heard] granted to the Azcona government, $125 million has been badly invested or used by the government through AID. This is what the U.S. Embassy said. There is concern at the embassy as a result of your remarks to CBS. Do you have anything to say?

[Rosenthal Oliva] I can tell you that the embassy also said there were no contras in Honduras, yet they were there. The United States is investigating many lies that were reported from the same sources [not further identified] regarding Irangate. This has hurt us very much, more than anything else. When the Iran problem began I told Azcona that [words indistinct] in the United States is very hard, things there are not like they are here. Regarding this, they have their means of investigation and their committees [words indistinct] they are trying to link the aid given to Azcona and what was given in the past. We can account for every penny from the aid given to the Azcona government. That money was spent well. The few dollars that have not been spent well are those used for studies that were not under the government's direct control. [passage omitted]

PRISONER EXCHANGE WITH NICARAGUA TO RESUME

PA132305 Panama City ACAN in Spanish 1554 GMT 12 Mar 87

[Text] Tegucigalpa, 12 Mar (ACAN-EFE) -- Next week the Honduran and Nicaraguan Governments will resume an exchange of prisoners, the Nicaraguan ambassador to Honduras announced today.

"We hope to work on a reciprocity basis, inasmuch as in the past Nicaragua turned over Hondurans while Honduras did not turn over any Nicaraguans," Ambassador Danilo Abud Vivas stated.

He added that Honduras is currently holding 12 Miskito Indians who were detained last week while they were sailing down the Coco River. That river is the border between the two countries.

"These Miskitos," he said, "are members of our peace commission negotiating with the anti-sandinist Indian rebels so they will put down their weapons."

He also said that the Honduran Navy is holding five Nicaraguan seamen it detained while the men were fishing last year in the Atlantic Ocean.

The ambassador did not mention how many Hondurans the Nicaraguan Government is holding, but unofficial Honduran sources insist there are over 40 persons, mostly fishermen.

800 NICARAGUANS VOLUNTARILY RETURN HOME

PA130418 Panama City ACAN in Spanish 1625 GMT 12 Mar 87

[Text] Tegucigalpa, 12 Mar (ACAN-EFE) -- Colonel Abraham Garcia Turcios, retired, coordinator general of the National Refugee Commission, today stated that 800 Nicaraguans who were exiled in Honduras returned voluntarily to their country yesterday.

The officer said, "The voluntary repatriation program that the Governments of Honduras and Nicaragua and the UN High Commissioner for Refugees have implemented is starting to work very well."

Garcia Turcios also stated that in the remaining days of this month, another 300 people will return to Nicaragua under the voluntary repatriation plan, under which the Managua regime should provide them with guarantees.

Presently, Honduras has 22,000 legally registered Nicaraguan refugees in special camps located along the eastern border with Nicaragua. However, Honduran officials estimate that some 200,000 Nicaraguans have moved to Honduras since the victory of the Sandinist revolution in 1979. Honduras also shelters 22,000 legally registered Salvadorans in camps along the border with that country. However, there could be some 300,000 undocumented Salvadorans living in Honduras. Additionally, Honduras shelters some 500 Guatemalan refugees, although the total Guatemalan population in Honduras is calculated at 7,000.

The majority of Central Americans residing illegally in Honduras live with relatives, friends, or on their own.

NICARAGUA

DPRK FOREIGN MINISTER ARRIVES FOR VISIT 19 MAR

PA191252 Managua Domestic Service in Spanish 1200 GMT 19 Mar 87

[Text] DPRK Vice Premier and Foreign Minister Kim Yong-nam has been visiting Nicaragua since yesterday.

CONTRAS REACT WITH 'JOY' OVER SENATE VOTE

PA190044 Panama City ACAN in Spanish 2332 GMT 18 Mar 87

[Text] Tegucigalpa, 18 Mar (ACAN-EFE) -- Nicaraguan spokesmen living in Honduras reacted with joy today over the U.S. Senate's rejection of a plan to block the release of $40 million from the $100 million appropriated for the anti-Sandinists this year.

"This aid will arrive at a time when it is urgently needed to continue the great offensive launched at the end of last year which covers almost all of Nicaragua, where the Sandinist Army is constantly being harassed," said an anti-Sandinist source.

The source said that the Sandinist Army's defeat is still remote because it is impossible to launch a conventional struggle to hold the territory due to its enormous size and superiority in armament.

"We are only maintaining ourselves like a thorn that constantly pricks its side and disturbs it in such a way that it is going to convince itself of the need to establish a dialogue for the democratization of Nicaragua," added the spokesman.

He explained that "U.S. senators and representatives, especially those from the Democratic Party, are beginning to realize that pacifist and partisan positions do not faze the Sandino-communists who are now ruling Nicaragua, and that more specific military actions by Nicaraguans are required."

Regarding President Ronald Reagan's request for $105 million from the House of Representatives and the Senate for the "counterrevolutionary" forces in 1988, he said that "this is another struggle that we believe Reagan can win, just as he won the $100 million that will be completed with the last release of $40 million."

The spokesman said, "We have demonstrated that with financial aid to maintain a prolonged war, we can make the fighting more effective, and this is reflected daily with the multiple victories we achieve in our guerrilla warfare."

The spokesman complained that "While the Soviets give the Sandinists everything they want, the North Americans are giving us aid by drops, and with much noise from the senators and representatives who oppose it."

INDIANS FORM 'MILITIA' TO REPEL CONTRAS

PA182208 Panama City ACAN in Spanish 2353 GMT 17 Mar 87

[Text] Managua, 17 Mar (ACAN-EFE) -- A leader of the Miskito Indians today stated that more than 500 Indians formed an armed "militia" to defend the peace process and repel any anti-Sandinist incursion in the strife-torn Atlantic area.

This armed civilian organization is not linked to the Sandinist People's Militias of the EPS, but the source stated that it shares the EPS interest in defending the revolution.

All the members of this group formerly belonged to the Indian rebel organization "Fighting KISAN [Unity of the Nicaraguan Atlantic Coast Indigenous Peoples]" [KISAN Guerrerista] which, together with the "MISURASATA" [Miskito, Sumu, Rama, Sandinist Unity] had sought to topple the Sandinist regime and separate the extensive Atlantic Coast area from the rest of the country.

In a press conference, Forne Rabonia, leader of this Miskito group, stated that "more than 500 former Miskito rebels have formed this militia to defend themselves, even from their own brothers who are presently with the counterrevolutionaries." Up to 2 years ago, Indians were exempt from compulsory military service due to the Atlantic Coast's internal political problems.

There are 175,000 Miskito, Suma, and Rama Indians living on the Atlantic Coast. Between 500 and 1,000 of them, led by rebel leaders Steadman Fagoth and Brooklyn Rivera, have been fighting against the Sandinist regime for several years.

After divisions occurred within the Nicaraguan Opposition Unity (UNO) due to internal problems related to U.S. economic aid, some 47 MISURASATA and KISAN Indians separated from the organization and some 113 refugees in Honduras returned to the country.

Forne Rabonia stated: "We Miskitos do not want war. We want peace and for this reason we formed MISATAN [Organization of Nicaraguan Miskitos]." The MISATAN organization, which is seeking dialogue and the reunification of the Indian family, was created on 24 July 1984 and presently has some 655 members.

REPORT DESCRIBES HONDURANS DISPLACED BY CONTRAS

PA191959 Managua BARRICADA in Spanish 18 Mar 87 p 2

[Text] Espanol Grande, Honduras -- A pathetic appeal for help from the government was issued today by Hondurans displaced by the contras in the border regions, where an air of desolation and abandonment prevails.

Although tranquillity has returned to this region of eastern El Paraiso Department -- after most of the contras crossed the border and another 4,000 were relocated in a remote Honduran area -- approximately 10,000 displaced people remain far from their homes. Only about 100 families have returned on their own. The displaced people are afraid the current peace will just be temporary because the situation is closely linked to the fate of the contras, who will probably return if they are not successful in their struggle inside Nicaragua.

In addition, the displaced people are demanding the government compensate them for the loss of their belongings and property, and give them adequate help so they can return to their productive activities.

One of those totally abandoned communities is Espanol Grande, 240 km east of Tegucigalpa and 7 km from the border, where weeds have begun to cover the rural houses.

Espanolito, Tronco de Ocote, La Esperanza, La Suta, Nueva Victoria, Piedra Bola, Pueblo Nuevo, Maguengales, Buenos Vista, Subico, and Amparo has also been abandoned. They are communities located in a 450 square km area that the contras call "Nueva Nicaragua."

MINISTER BORGE DISCUSSES CHURCH-STATE RELATIONS

PA130353 Mexico City EL DIA in Spanish 8 Mar 87 p 15

[Part two of Gregorio Selser report on news conference given by Interior Minister Commander Tomas Borge for Swedish and Mexican reporters at Xiloa, Nicaragua; date not given -- words within slantlines published in boldface]

[Text] /Managua/ -- The unresolved conflict between the Nicaraguan Government authorities and the ecclesiastical hierarchy, headed by Cardinal Miguel Obando, occupied a great part of the long interview granted by Nicaraguan Interior Minister Commander Tomas Borge, the first part of which we published in our 1 March edition. One of the reasons this topic was extensively discussed is that among the interviewers there were two Mexican priests.

Meanwhile, in the United States and the Vatican there is talk about an imminent agreement or, on the contrary, about a total /impasse/ centered on a disagreement from the outset -- supposedly Managua's refusal to lift the sanctions against /Radio Catolica/ and against two provocative pro /contras/ of the ecclesiastic hierarchy. Minister Borge explained that for now negotiations are in an intermediate stage with the talks continuing on their sluggish course. The Managua government is willing to overcome the disagreements. According to this interview, at the center of negotiations is reaching an overall solution in which the points of conflict are involved but do not make up the core of the solution.

In other words, the essence of the solution would be that the church hierarchy recognize that in Nicaragua there is a revolutionary government, a Constitution, laws, and legal dispositions, which all citizens must abide by without exception -- including bishops and priests. This would mark the focal point of the discussion. Departing from the objective reality that the militant aggressiveness of some prelates moves them away from their pastoral mission and turns them to the irascible mission of politics (and, what is worse, to joining the counterrevolutionary side and the armed aggression of the United States and its mercenaries and accomplices), the question of lifting the mentioned sanctions before any agreement is reached results in a Byzantine debate.

It is a problem of content, and it deals with the determination of the functions and limits the state gives to both foreign and national church members, with the functions the church members confer themselves when exercising their pastoral mission. In the first case, the church must correspond to the nation and its legal, bureaucratic, and administrative system, which establishes the framework for the work of the various institutions and the people; in the second case, a good government cannot accept that people or sectors of society reject and disregard those limits without at the same time accepting that such uprisings and rebellions are permissible so long as they are carried out under the pretext of religion.

Minister Borge was specific on this: two parallel governments cannot exist; that is, the revolutionary government and that of the ecclesiastic hierarchy. The followers of Cardinal Obando think differently and insist upon their belief, although the ability of current Papal Representative Paolo Giglio gives a less drastic slant to the conversations.

Following is the final part of the interview with Minister Borge.

Question: Over a year ago, when the government closed /Radio Catolica/, you granted me an interview in which the topic of relations with the Church occupied most of the conversation. Since then, two new things have happened: the expulsion of Bishop Pablo Vega and the refusal to permit Priest Bismarck Carballo to return. Recently, the Mexican press said the talks on reaching an agreement eliminating those restrictions are making great progress. It was also said that the agreement would make it possible for 12 other Church members who were expelled before the last two events took place, to return. However, I have not seen that those reports have been confirmed.

Borge: To tell you the truth, there is a great deal of journalistic speculation. It is true, however, that the possibility for a profound dialogue with the Church and with the ecclesiastical hierarchy has been created. However, negotiations or the search for an understanding between the revolutionary state and the Church hierarchy must go through a process. We have said we need to achieve an overall agreement, not a partial one or one in which only certain points are settled. We are pointing out the need to render unto the revolution the things that are of the revolution, and render unto the Church the things that are of the Church.

In practice, there is great religious freedom in Nicaragua, and freedom of religion was never up for debate because there is no obstacle for the exercise of this freedom. On the contrary, religious activity has increased in this country since the triumph of the revolution. THe number of masses and patron saint festivities, which are so important in the life of the various communities, have increased and have acquired a greater religious content...let me expand on this. Before the triumph of the revolution, the patron saint festivities were true orgies, avalances of liquor, prostitution, and gambling; a sort of collective orgy carried out under religious pretexts.

Question: Did the church consent to those celebrations?

Borge: They were part of the "rites," but we established other ethical-moral rules of complete respect for the cult of God, Jesus Christ, and all the Christian symbols. We banned the industry connected to the exploiters of vices, and the merchants who, taking advantage of the people's faith, offered alcohol, lotteries, and prostitution to them. The new rules have given a new dimenstion to the festivities. Now saints and Christian symbols are worshipped without pagan and common abuses. The famous Santo Domingo festivities always entailed a great concentration of people, and there were always serious public order problems such as drunkenness, murders, rapes, car accidents, etc. These festivities are celebrated to a greater degree than before, but we have made efforts to change their vicious characteristics. At the beginning we were bothered, because we thought the Church was going to be very happy with our cleanup measures, which favor religion itself; however, we soon realized that we had affected certain interests, certain benefits, that came from those festivities. It was those the revolution put an end to. Yes, the ceremonies are austere now, they are not Somozist orgies carried out under the pretext of worshiping saints and religious patron saints.

Question: It is also said that other denominations are proliferating.../Is an overall agreement possible?/

Borge: Yes, just as there are more Catholic Churches, weddings, christenings, and masses than ever before, another Christian sector has multiplied: other sects and denominations.

The number of members and followers of non-Catholic churches has drastically increased and has led to the creation of an organization called "Sixto Ulloa," which maintains an ecumenical attitude of non-confrontation and of profound mutual respect. There are also small groups, some of them not very trustworthy, such as the Jehovah's Witnesses. Although they do not directly confront the revolution, they foment disobedience of the law and disavow the national anthem and the flag. I suppose they act the same way everywhere; anyhow, we have not had any major problems with them...

Question: Then what are the basic differences?

Borge: The causes of the contradiction? Certainly not the regligious activities per se, as they have actually multiplied without any restrictions or obstacles whatsoever. The contradiction results from the political positions and actions of some leaders in the ecclesiastical hierarchy. In other words, a possible overall agreement with the church falls into the political and not the religious field.

Specific matters resulting from that contradiction, such as revoking the residence permit to 12 foreign priests, as well as Bishop Vega's expulsion and not allowing Carballo's return to the country, will be discussed when an overall agreement is reached. We did not expel Bishop Vega without any reason or by chance. It was becaue the day after the U.S. Government approved $100 million to be used against Nicaragua -- which meant a new and grave step in escalating the aggression against our homeland -- Bishop Vega, apparently following a tacit or expressed agreement with Washington, endorsed that Yankee decision at a news conference. We felt such an action was intolerable, regardless of who was supporting Reagan's war. It could have been a tailor, a taxi driver, or a shoemaker. So we decided that if Vega was so identified with the counterrevolution to the extent that he would applaud the fact that the government that maintains a bloody war against Nicaragua would send more funds to nourish and sustain it, we might as well make it easier for him to get together with the mercenaries, so he could serve the /contras/ directly as their chaplain.

Carballo, who was out of the country at that time, adopted a similar attitude. So, we decided not to permit his return, to show our firmness and that we would not continue to tolerate the permanent, daily defiance of those sectors of the ecclesiastical hierarchy against our people and our revolution. A similar situation occurred with /Radio Catolica,/ which on a daily basis defied the revolutionary laws and the institutions in charge of overseeing and ensuring their compliance. Whenever that station was asked not to transmit something, it was transmitted; when asked to transmit something, it refused to do so. The defiance and provocations were such that we had to close the station temporarily. The same thing happened with the newspaper /IGLESIA,/ which did not receive authorization to be published. However, they decided to go ahead and published their first edition. So we decided to close it.

Question: What would be the terms of an overall agreement?

Borge: First of all, we reaffirm our position in favor of religious freedom in Nicaragua; in the second place, that there should be respect for the laws and for the revolution's legality.

I believe if those two aspects can be consolidated, there can be an overall agreement; and if this can be achieved, we would be in a position to resolve specific issues: the reopening of /Radio Catolica/ on the basis of respect for the laws; of recognizing the existence of the state and a government that cannot be ignored by the ecclesiastical hierarchy or by anyone and of not doing anything against the law. They must admit that we exist, and they must respect us. If we lift the measures without a precise overall agreement, we would continue having the same problems; they would continue with their defiance and provocations. In the same manner as we recognize the church's legality and its religious and confessional practices, they, too, must recognize and accept the existence of a revolutionary government and its political orientation. Whenever this happens, the pending matters will be resolved without any problem.

/To Abide By the Law/ [subhead]

Question: So the press and the news agency reports are not accurate?

Borge: Up to now, we have not authorized Vega's or Carballo's return to the country, the reopening of /Radio Catolica/, or any other pending matter because no agreement has been reached yet. We have tried to hold meetings and talks more frequently. The state has been represented by Comrade Rene Nunez, secretary of the National Directorate of the Presidency. It is not our fault if those meetings have not been as frequent as we would have wished, which is delaying an agreement. It could be that they have certain expectations. Apparently, they are not sure if we will be able to survive, in which case it would not be convenient to sign an agreement with someone who is about to fall off a cliff....

Question: Or that the government could fall at any moment with an invasion by the /Marines..../

Borge: They also entertain that hope. Perhaps when peace is consolidated, when those sectors realize that the revolution has consolidated, and when it becomes obvious that the process is really irreversible, then it will be easier to reach an agreement In fact, a document issued to all FSLN militants by the National Directorate -- the document outlining the plans for this year -- states that one of the FSLN's objectives is to reach a serious, practical, and mutually respectful agreement with the ecclesiastical hierarchy.

Question: When you talk about respect by the church of the state and the revolutionary laws, are you talking about the laws directly stemming from the constitutional regulations, or are you talking about a broader concept?

Borge: I am referring to all the laws, including the fundamental laws: both the substantial and procedural laws. As interior minister, sometimes I must comply with laws I disagree with. I would change those laws if I could; however, as long as those laws exist, I must respect them, because they are the result of a process that cannot be altered by following the desires of one person. For that same reason, priests must respect the laws, each and every one, and not obey only those they like, disobeying those they do not like.

/Right To File a Petition/ [subhead]

For example, I would prefer a longer period for the initial detention of criminals so the police could interrogate them and determine their responsibility in the crimes they are charged with.

However, as long as an extension of that period is not approved I must respect it, and once it expires I must deliver the suspects to the authorities, even if the investigation is incomplete. Criminals can therefore easily regain their freedom due to the lack of an advanced judicial system and to the lack of legal authority. Another example: I disagree with the regulation by which the Interior Ministry must issue professional licenses to doctors and lawyers. In the case of doctors, it should be the Health Ministry; however, the current laws have entrusted me with this unnatural bureaucratic function, and I must abide by the law.

Therefore, if the ecclesiastical hierarchy disagrees with the laws, they have the right to request changes if they believe the laws violate a specific principle or are not sufficiently viable. As long as the laws are not abolished or modified, however, we, citizens and foreigners, must obey them. For example, when we decided to cancel the resident visas of 10 foreign priests, I called -- I do not recall exactly who -- I believe that it was Obando or Bosco Vivas and the apostolic nuncio and told them: "It is forbidden that you hold a demonstration. A group of foreign priests wants to have a demonstration and carry along the people in solidarity, but they have not asked for authorization to do this." This was in solidarity with Father Pena, who had conspired against the revolution, but he was not even in jail. In another country, they would have been sent to jail just for conspiring.

They [the priests] were expressing their solidarity with a counterrevolutionary criminal, and I had warned them ahead of time that we would be taking very strict measures if they held the demonstration. They did what they wanted and challenged a high-ranking government official, who is also a leader of the revolution, and took to the streets. Because of this challenge, we decided to cancel their resident visas. This was done because if a group of foreign salesmen or any other professionals take to the streets and hold a demonstration that has not been authorized, violating current laws, we would also expel them from the country, regardless of their occupation, since they are foreigners violating Nicaraguan laws. We acted firmly in response to their challenge. Perhaps they wanted to test our determination, but if we tolerated this there would have been an escalation of challenges. This would mean the establishment of two states: the revolutionary and the ecclesiastical.

Question: Do the priests and bishops have the right to make requests to the authorities, not only to criticize but also to request reform of the laws?

Borge: Of course, and not only that. I have many times told several of the bishops that criticism -- not only criticism but also mentioning specific cases of abuses, failures, and errors -- would help us a lot. A priest in a parish located in any other small town or in the countryside can see a series of problems we cannot perceive. Therefore, if there is individual abuse -- because here there are no abuses against whole towns -- abuses by a government official, and the priest reports that to us, that would be very valuable in helping to correct the situation immediately. However, what occurs in practice? They hear that an Army member perpetrated an abuse, and they immediately take it as a proven fact and say it openly, not as constructive criticism, but rather to weaken and harm the image of the revolution.

If there is a problem and we are told about it, we are forced to listen and give an answer. That would be constructive criticism. However, if people hear about a rumor and spread it from the pulpit without verifying it, that is an evil action. That is what usually happens. How is it possible that priests can say in their parishes that we are responsible for an attack Cardinal Obando reportedly suffered in Miami? Is it not an evil action to say that?

/Falsehoods and Provocations/ [subhead]

Question: It was quite an awkward "aggression" to enter a home just to steal a briefcase, according to news reports. Furthermore, Obando said he had been beaten.

Borge: Obando is attacked in Miami -- as if anyone is not aware that today it is dangerous to walk around in any city because you can be attacked; that happens in Buenos Aires, Miami, San Francisco, New York, Paris, or Rome. Obando is attacked and is robbed of something. That could have been a real attack as well as a provocation. Can you imagine that we would be so foolish, immoral, or stupid to send someone to attack an archbishop in Miami? What would that action cost the revolution? What would happen if the attackers were arrested and were identified as Sandinists? We would have to be very irresponsible, stupid, and ignorant to do such a thing. Common sense tells anyone that such a version is false, but once again they [the priests] are saying in the churches that we did it. I told Obando that they should clarify and explain this, that it was their moral obligation. Well, "it is being said in so many circles that this matter is not very clear yet, that it is confusing..." Just saying that implies there is something wrong.

A priest said at his pulpit: "An Army member raped a girl." We investigated the report and found it false. The rumor was never denied, however, and people took it as fact, but in addition to not having the decency to deny it -- even if they deny it later on -- the mark of the slander remains.

Question: Another subject mentioned in many countries is that priests are victims of the Sandinist persecution. There is also the fable of anti-semitism and reports from some fundamentalist social sectors in the United States about campaigns against religion.

Borge: It so happens that a priest was arrested because he was a common criminal, as happened to a member of the Social Christian Party. However, this was not done because of their religious or political beliefs. There is the trap. No one reports that there are thousands of Sandinists who are in jail because they committed crimes, violated the principles of respect for human beings and the dignity of men, mistreated prisoners, or because of any outrage against the people; yet no one makes any claims about the Sandinists in jail. I was in Europe when Geisler, secretary general of the FRG Christian Democratic Union -- more reactionary than Hitler -- reproached me for a lot of outrages and told me there were Social Christians and union members in jail. I was very worried -- he spoke very seriously. I began to investigate this and found out that one of them is in jail because he trafficked marijuana, another one because he had raped a girl, and a third one because of conspiratorial activities, yet not one of them was in jail because of his political or religious beliefs. With this argument they could say that there are 7,000 Christians in Nicaraguan jails, including 4,000 or 5,000 Sandinists, because since all of them pray and go to church and practice their religious rituals they are Christians -- Catholics and Protestants...

Regarding the Jews, the only ones I know are not Zionists. There is Tourism Minister [Herty] Lewites Rodriguez, Reinaldo Antonio Tefel, who is not Zionist -- he is Catholic and is also a minister -- and poet Michele Najlis. However, Reagan himself has said we set a synagogue on fire, but it happens that the only one here was destroyed by the quake in 1972 and another one was not built to replace it. We have also been charged with being drug and arms traffickers.

Views Goals of Revolution

PM171311 Stockholm DAGENS NYHETER in Swedish 8 Mar 87 p 12

[Interview with Interior Minister Tomas Broge by Leif Norrman in Managua -- date not given: "A Wounded Tiger Is a Dangerous Tiger"]

[Text] Managua -- "The aesthetics of revolution are not marginal," Nicaraguan Interior Minister Tomas Borge suddenly said as he spun the wheel wildly and we zigzagged along the potholed roads.

His bodyguards in their cars shook their heads resignedly and tried to keep up as best they could.

"These bloody streets all look the same," Tomas Borge muttered. "I have never seen this church before. It must be newly built. There are more and more of them."

"Did you know," he said, "that since the revolution the number of masses, christenings, and other religious meetings has increased? And then they say that we are suffocating religious freedom. We aren't at all. But we are opposed to the Catholic Churchs's making itself a political representative for the policies of the United States and the contras."

"What the hell are we looking for?" the bodyguards shouted over the walkie-talkie.

"The house where fat Mrs Cruz lived," Tomas Borge shouts. "I was living underground and hid at her place; that must have been 1975. I want to see the house again."

That was the year before he was arrested and thrown into the Somoza dictatorship's prison for over 2 and 1/2 years -- right up to the time Eden Pastora, who later became a contra leader but who was then the revolution's best known name, carried out his famous coup right under the nose of the National Guard, strode into the National Palace, and took the whole Assembly hostage.

Thanks to this action Tomas Borge and 82 other Sandinists were released, and by the following year they had toppled somoza.

The evening before the hunt for fat Mrs Cruz we had met Tomas Borge to ask him about the state of the revolution now.

Had it not become petrified? we asked. Had it not been forced to a halt under the pressure of the war and economic strangulation? Had not the constant lines, the shortage of goods and food, the shortage of proper dwellings, the shortage of transport, indeed, the shortage of almost everything, cooled the revolutionary fire?

Inflation, low wages, black markets... Did such things not turn the discontent against the Sandinist regime? Did they not force the regime to exchange revolutionary ideas for political pragmatism?

"No," Tomas Borge replied, "that is not the case." And then he invited us to accompany him on a trip through the town next day, perhaps to show that the Sandinistas still have the people's support.

We toured Managua's poor "barrios," and even though we did not find the house where fat Mrs Cruz lived, we were at least given the clear message: Tomas Borge, the oldest of the nine commandants, is popular.

At 56 he is the sole survivor of the people who founded the Sandinst Front in 1962.

His mother wanted him to become a priest. But at a very early age Tomas Borge had discovered girls and did not want to burn in hell for breaking some vow of chastity.

He still likes girls; you can see that when he walks through the streets. He likes the worn-out mothers and wrinkled old women too. Intimately, protectively, he puts his arms around their shoulders and listens. Everyone wants help with problems, answers to questions. About everything from the price of beans to the defense of Managua.

He wanders around the neighborhood and plays his role of revolutionary father: chatting, joking, lecturing, encouraging, and playing marbles with the little boys.

Time after time he said: "Don't expect the government to give you complete solutions. It is you who are the revolution. You must make demands, you must attack injustices, you must support each other and not give up in the face of bureaucratic stupidities. You must refuse to buy things at extortionist prices, you must attack black market sharks and report economic crimes. You..."

"We," he said, "we must see to it that the buying power of the working class increases. It was for people like you and with people like you that we made the revolution, not for a speculating and dollar-buying upper class. Every day there are fewer rich people in this country. But no fewer poor people."

To a few people appealing for better police protection of their neighborhood he said a little impatiently: "The revolution will not move forward if you sit there with your amrs folded! Organize yourselves, draw up duty rosters. You can get arms from us. The best police are the people themselves."

"Organize yourselves" he also said to the group of boys with bats and baseball gloves who wanted help to be able to play in a league. "You must organize yourselves, then you will play better. I will see to it that someone helps you if in return you promise to study hard. The revolution does need baseball, it is true, but it also needs doctors, technicians, teachers...."

"Who is in charge here? Is there too much bureaucracy? Are things moving too slowly?" he asked the parents standing in line waiting to have their children vaccinated against polio.

"Look here," he then said to us. "Look, here is the person in charge. A 15-year-old girl! Who voluntarily looks after all this, takes the responsibility, organizes." His glance at us clearly says: Now do you see what the revolution means, what force it has?

Yes, we see, we have already seen. The 15-year-old is no exception, no special case to be shown off. There is an impressive amount of self-sacrifice and voluntary work. But there is also tiredness in Nicaragua -- tiredness, discontent, and enormous material shortages.

Tomas Borge agreed during our conversation the previous evening.

"Of course there is discontent, of course there are those who have run out of patience. And it goes without saying that we have enormous economic difficulties. We would have had all that even without the war, which has swallowed more than half the national budget in the last few years. But things would not have been as extreme as they are now. Both human and economic resources have gone into the war. Survival has been the only goal."

"But," he said, "if despite all the difficulties the war has brought something good with it, it is that unity has increased. The revolution has not petered out, quite the opposite. The support of the people has been consolidated. Political consciousness has increased."

Tomas Borge fell silent and searched for an image to describe what has happened during the difficult years, how it has come about that, despite the tragedies and the poverty, people are still behind Sandinism:

"We have matured," he said, finding the image he sought. "It is like a marriage. The honeymoon was easy, a romp. Then came everyday life, children who have to be looked after and fed, problems that have to be overcome together.

"We have 8 years of everyday life behind us. The revolution in Nicaragua is a marriage that has only grown stronger as a result of the tests."

Tomas Borge did not want to gloss over the fact that in the "marriage" there have been and still are mistakes, infringements, and excesses. But, he said, we are doing our best to put right what is wrong. For example, he said, human rights violations have decreased significantly.

"This year we will make particular efforts to increase discipline and morale, to counter every form of social rundown, corruption, and egotism. We will attack economic crimes, speculation, and smuggling with political education campaigns, laws, and punishment.

"Our ideology has not changed. We foresaw, when the FSLN was formed 26 years ago, what would happen if we succeeded in toppling Somoza. We knew U.S. imperialism would attack us, we knew other groups would try to take over the revolution, and we realized what difficulties national reconstruction would meet economically and politically.

"We were prepared and have not needed to cast naive revolutionary romanticism aside to find short-term political solutions. It is true that on certain issues, such as the mixed economy and political pluralism, we have had to find our way though trial and error and to allow practical experience to determine their shape. But Sandinism has not abandoned any of its original ideas."

The war against the contras will soon be won, Tomas Borge thinks. And this provides the opportunity for a deeper view of the future. But, like so many other Sandinist leaders so many times before, he warns again of the risk of a U.S. invasion: Ronald Reagan is not a ridiculous B-movie actor of a president, even though a lot of people would like to think so, he said.

"On the contrary, he is a man who enjoys power and who wants to dominate us. He wants to destroy Sandinism. In his eagerness he has made mistakes; now he himself is threatened politically.

"But a wounded tiger is a very dangerous tiger. The risk of an invasion of Nicaragua is still very great. And in U.S. politics Nicaragua is simply a weapon in the domestic power struggle. It is not for our sakes that they are fighting over us."

"I think," Tomas Borge said, "that this year will be the year that will decide whether peace is possible in Central America. Reagan has only 2 years left in power; soon all politics in the United States will simply be part of the election campaign. But if we can avoid an invasion, if we can just survive this year, I think we will be able to achieve peace in Central America -- perhaps not bridge the political differences, but at least live side by side."

Tomas Borge does not think the good relations with the Soviet Union mean Nicaragua can be considered to be linked to the Eastern bloc: "It's not worth making a revolution for freedom if you are later going to be tied to a superpower," was how he put it. "But we are grateful for the aid, which is given without strings," he added.

"International support means much to us, not least morally. Nicaragua may be surrounded, but it is far from isolated."

"Can I imagine a model state? Yes," Tomas Borge smiled, "it would probably be an eternal paradise. But it is a very long way to it from here -- the Nicaragua we see around us."

RAMIREZ ON U.S. PLANS, REVOLUTIONARY EFFORTS

PA200031 Managua BARRICADA in Spanish 18 Mar 87 p 5

[Text] Nicaraguan Vice President Sergio Ramirez Mercado has stated that a change of attitude from area governments toward Nicaragua would increase the climate of understanding and ward off foreign interference in the area. He also predicted that the upcoming meeting of the area's presidents in Guatemala would be successful.

Ramirez inaugurated a new school term at the Gaspar Garcia Laviana Psycho-Social Center. About 75 students, most of them wounded during the war, will attend the school. The vice president also bid farewell to the 150 youths who will receive physical rehabilitation in the People's Republic of Bulgaria.

"We have defeated each and every one of the U.S. imperialists' plans and we are winning the war," he asserted after warning that Reagan's hate and obsession against Nicaragua will not let him stop his efforts to defeat the revoluion.

He recalled that U.S. financial aid, direct military advice, supply of weapons, and special equipment to the counterrevolution only served to occupy Honduran territory.

"The plan has failed and Reagan's only option is a direct military invasion, with which he intends to crush the revolution," he warned.

However, he asserted that Nicaragua will continue to present political initiatives in the diplomatic sector, and will continue to demand peace in all the international forums. "The inauguration of this new school course is another defeat, although small, against U.S. imperialism," he asserted.

Morale Strength [subhead]

Dr Sergio Ramirez advised that each one must strengthen his morale in his own trench given the difficult situation the revolution currently faces. "We do not want a war. We would have advance with those resources to attain social, political, and economic changes in the country," he said.

Therefore, he urged the future students of the Gaspar Garcia Laviana Psycho-Social Center to fulfill their pledge and increase their levels of discipline, study, and daily work. [paragraph continues]

The same advice was given to the 150 youths that will depart to receive physical therapy and rehabilitation in the People's Republic of Bulgaria.

Ramirez underscored that the counterrevolution's military defeat is near; this proves that Reagan's policy of lies and blackmail has failed. "They broke so many international laws -- even U.S. laws -- that they could not hide it any more," he indicated.

He recalled that Nicaragua has managed to attain the social changes that are sponsored by the revolution despite the problems imposed on the country. This is proved by the fact that 1 million Nicaraguans attend school under the guidance of 34,000 teachers. Likewise, 17,000 scholarships are available for different technical centers, particularly in socialist countries; and thousands of university students have registered, etc.

"This is an essential part of what we want to achieve in the country through an overall formation of a new man, and you are part of this process," he concluded.

COMMENTARY SAYS U.S. ADVOCATES 'SMALL WARS'

PA192134 Managua BARRICADA in Spanish 18 Mar 87 p 3

[Article by Pietr Romanov: "U.S. Plans; Small Wars and Nuclear Threat"]

[Text] A new research group clled "Directorate of Research for Small Wars" has been intensely working for more than 6 months in the headquarters of U.S. troops in Panama. According to the U.S. press, the work of this group is based on the premise that a nuclear war between the United States and the USSR is very unlikely.

The group also believes that a war with conventional weapons in Europe is unlikely because it would soon turn into a nuclear war. However, according to this doctrine, the United States can participate in lengthy wars against "rebels" in Latin America or other regions of the Third World. It even points to nine Latin American countries which, in the opinion of the researchers, are most probable to be involved in this type of war.

Even though the first part of the analysis is optimistic, excluding the possibility of a nuclear conflict between the USSR and the United States -- which threatens the world with a world holocaust -- the doctrine causes serious concern. If it is borne in mind that the White House uses the term "rebels" to describe a broad range of national liberation forces, it turns out that Washington runs the risk of waging wars in almost all parts of the world.

Setting aside the ethical-moral and juridical-international aspects of this doctrine which seeks to meddle in the internal affairs of other countries, one must stress the evident adventurous nature of this position, which can place the world at the brink of a nuclear holocaust.

Small wars like those advocated by the researchers of the "directorate" led Washington more than once to think about the use of nuclear weapons. In 1954, the committee of chiefs of staff recommended that President Eisenhower use nuclear weapons in the Vietnam war to prevent France's defeat there. That same zone was considered as a likely nuclear target during the times of Johnson and Nixon. President Nixon specifically examined the possibility of dealing a nuclear blow during the Arab-Israeli war of 1973. President Carter analyzed the possibility of using nuclear weapons in the Persian Gulf war in August 1980.

The nuclear threat has also hovered over Latin America and not only during the Caribbean crisis in 1962, but later. The question of whether or not to wage a nuclear war in Latin America was discussed in London during the Malvinas War between Britain and Argentina. According to the magazine NEW STATESMAN, the city of Cordoba may have been the target.

Fortunately, common sense has prevailed so far. However, why play with fire? Upon realizing that a large nuclear war between the USSR and the United States and a war in Europe are impossible, the researchers of the "directorate" cannot or do not want to reach the logical conclusion of abandoning the use of force in international relations. On the contrary, their doctrine is oriented at finding by any means the possibility of using weapons in one and another region of the planet. God only knows what consequences this obsession will have. The U.S. objective of continuing to encourage the regional conflicts can increase 100 times the nuclear threat for the Third World, and in this specific case, for Latin America.

CANADIAN DELEGATION ARRIVES FOR 10-DAY VISIT

PA180356 Managua BARRICADA In Spanish 17 Mar 87 p 5

[Text] A large delegation of parliamentarians from Ontario, Canada arrived in Managua yesterday to witness the country's situation and to coordinate relations between that provisional organization and the Nicaraguan National Assembly.

Richard Johnston, head of the delegation and parliamentary representative of the New Democratic Party (opposition), said that during their 10-day visit to Nicaragua the parliamentarians will meet with ranking officials of the revolutionary government and with representatives from the opposition political parties.

"We have come as individuals to learn and experience life in Nicaragua. It is my personal opinion that in Canada, U.S. policy toward Nicaragua is widely rejected, and there is considerable support for the decision of the International Court of Justice [ICJ] at The Hague," he said.

Meanwhile, Joan Smith, representative of the Liberal Party (in government), said that the U.S. policy is senseless. "The United States apparently has an irrational fear and lacks foresight," she said.

So far the Democratic Conservative, Independent Liberal, Socialist, and Popular Social Christian parties are the opposition groups that have sought meetings with the Canadian delegation.

Yesterday the delegation met with the National Assembly's Foreign Commission comprised of Jose Luis Villavicencio and Ray Hooker.

CASTRO TOURS, DISCUSSES CAMAGUEY PROVINCE

FL192047 Havana Tele-Rebelde Network in Spanish 1400 GMT 17 Mar 87

[Report on a 3-day visit made by President Fidel Castro to Camaguey Province 10 to 12 March.

[Excerpt] [Passage omitted] [Castro] Each time I come to this province I find progress has been made everywhere. In general, what can be seen surpasses the optimistic opinions one has about the situation in the province. I believe that currently Camaguey Province is one of the provinces that is doing better in the country, is one of the ones with more obvious progress. I could even say that it is one of the ones with more possibilities, that has more natural and agricultural resources, where the party is in fact doing excellent work.

In Camaguey we have been able to develop an industrial program to a certain degree in Nuevitas and in Camaguey City itself with the various industries we have been opening, besides the social facilities, for the construction material industry. Especially, that gigantic mechanical industry we have built in Camaguey during the last few years, dairy, meat packing, raw material industries, in sum all these groups of industries. We cannot leave out the brewery, which is another big industry in Camaguey. We are planning others. We can now say that in order to open an industry in Camaguey, we have to make an assessment of its labor force. There is enough land to build on, there is a party capable of building it, there is water and all the other elements needed. So we have to ask ourselves, for example in Camaguey City, what kind of labor force do we have? We will not have problems in Camaguey in opening as many industries as the population growth and labor force require. I believe we are in a comfortable postion regarding that. You canot find in Camaguey the calamaties you find in many other places.

A noticeable change can be seen in the city. You only have to be away from Camaguey for a while. I was asking Lazaro if any of those emigraees who left the country had come here and if they recognize Camaguey now. One only has to go through the beltway, schools, and all that. This city did not have one single high-rise building. I remember when the first 12-story building was under discussion. Camaguey City can already be seen from a distance because of all the buildings and the new urban areas. [words indistinct] the city's social and industrial development which are considerable. But the problem does not lie on material things but on the attitude one finds in each place one visits, the attitude of workers -- which is extremely important -- of cadres, of the party. For example, the mechanical plant in Camaguey is a project one has to be proud of because of its construction, the finish the industry has, the time in which that factory was built thanks to -- as I said -- the attention given by the party, the peoples' training, the social conditions which have been created, the staff it has, the training level that staff has, and the factory's organization. I belive that that factory could become a model in the country. One can already notice that when one visits it and sees the people, the orgnization, the people there [repeats himself]. Thus, you have enormous possibilities in that factory.

The important thing is that we are not going to rest on the laurels of success but to see what Camaguey can become, what can it become? [Castro repeats himself]. Here in the triangle area we have the best area in the country for cattle development. There has been a sort of stagnation during the last few years in the increase of milk production. The Oriental Province, [Castro changes wording] the capital, Havana province, is producing almost 1 million liters of milk a day. There are times when it produces this amount and surpasses it. In January, with the little rain that fell over there it amounted to around 850,000 liters in the entire country, during a dry month. Yes, the facilities we have are being exploited better and some (?new) ones are being built, some 20, 25, around 20 new dairies are being built on land that was created by dumping dirt and turf over rocky terrain. Here we have thousands -- over 10,000--caballerias of rolling fertile land. There is no other place in the country with those kinds of development conditions.

I believe that that is one of the province's most important plans in which the province -- I was telling (De la Fausta) -- could become a model for Third World countries. I invited them to cooperate. It interests us, interests them, we are interested as revolutionaries, internationalists, and patriots, we are interested in improving, but we are interested in doing something that may be useful and serve as an example to other countries and show how foodstuff production is developed. I believe this is one of the most important objectives of Camaguey during the next 10 years, in less than 10 years, I would say during the next 5 years. It is a challenging objective, it is important. It is a great task and is also of great political importance because of the resources that provides the province and the prestige that it will also bring to the province and the country. I believe that is one of the most important tasks.

This is a very important problem for Camaguey. You know that we have 14 inhabitants per square-km in the countryside. Having so many resources in the countryside we do not have a large labor force. We could have here as many industries and services according to the labor force, the labor force [Castro repeats himself]. That is going to be our limitation in Camaguey, to exploit our fabulous resources, to build more houses, to create more services and industries, to achieve a larger production. Our objective should be to turn the province into a model of socialism, a model for the entire world, for the country. That is our aim and I believe it can be achieved.

The world's (?administration) needs a lot of effort, investments, research, and imagination because there are billions [leaves sentence unfinished]. Third World countries will account for 80 percent of the world's population in the year 2000. I was talking about this. Our province can become a model. I was saying that this province can become a model for the way foodstuffs can be produced. We will have made considerable progress if we use geese, harvest shrimp, study those kinds of sea products, if we have protein-rich fresh water fish [tilapia] in our dams, if we produce torula yeast, if we turn moist cane froth into protein, the end of the sugarcane, all that, if we can turn manure into fodder for poultry, pigs -- because pigs do not have the stomachs cattle have but with a little protein they can assimilate honey, if they are fed protein and honey they can be fattened -- if we make good use of waste. If we triple liquid fodder -- because we have collected it from each school and each place -- then we will not have wasted anything, we will have made an almost complete cycle with the minimum waste of resources. We can produce everything. We are doing it with what we are doing with the protein-rich fresh water fish, with geese, and in sugarcane collection centers. So with those resources I believe we should turn our province into a foodstuff production model.

That is what I am talking about, [applause] of Camaguey being a model at a national and world level, of production, of application of techniques, of science, of intelligent formulas of foodstuffs production.

Camaguey is a model of socialist construction with the things we are doing now, with all these rectifications, with what we are doing with the road, and the rest of things, finishing projects, with very rational plans, very integrated in everything, with what we are doing in the mechanical factory, in the triangle, the water resources reform [voluntad hidraulical], with roads, housing -- not only in quantity but in quality -- with dams, and all that, with intelligent industrial development, the ones we need. That is going to depend on you more than on the country, to the extent you save and the labor force you have available, in the resolution of social problems, the way we have done, in the expansion of the family physician program -- for which we have one of the best medical schools in the country, the one in Camaguey. In all these developments I believe the province can go ahead of the rest of the country after being ahead on other things. I believe we are ahead on these kinds of things, but it can become a model in its economic, social, cultural, sports development, a model of construction of socialism, a model for the country or for the Third World.

Many countries are in the process of building socialism. The socialist experience is new. There is a lot to learn in this field. However, regarding this [Castro rephrases] I believe in man, if I did not believe in man I would have not thought about the idea of attempting to conduct a revolution in a country that was so heavily influenced by imperialism, anticommunism, antisocialism, reactionary ideas, by all that, no matter how difficult it would have been. We have believed and have shown that is right to believe in men. I believe in men. I believe in the party. I believe in men and I believe in the party [repeats himself]. Those are two acts of faith. I believe that socialism is built by the party, by men. [applause] I believe we will make progress. We are going to show that. We want Camaguey to take upon itself the task of being an example on that. I would have to say that I believe in the people from Camaguey. I believe in Camaguey. [applause]

U.S. ALTERED QUESTIONS FROM ANTI-CUBAN RADIO

FL191612 Havana Radio Reloj Network in Spanish 1525 GMT 19 Mar 87

[Text] The U.S. National Security Council altered questions that an anti-Cuban radio station -- which a trade union has termed a journalistic farce -- asked President Ronald Reagan in June.

Norman Painter, President of the American Federation of Government Employees, said that officials at that radio station sent the questions they would ask Reagan to the White House prior to the interview. He reported that U.S. Government officials altered the questions and prepared a script with the answers. Moreover, Reagan read only the first or first two phrases of each answer, while the rest was read in Spanish by a translator.

Last year, a reporter for that anti-Cuban radio station, accredited by the White House, was sanctioned for having asked Reagan questions during a televised news conference, in violation of a rule forbidding government reporters to ask questions during news conferences.

REAGAN'S CURRENT ARMS CONTROL POSITION INSINCERE

PA190316 Havana International Service in Spanish 0000 GMT 18 Mar 87

["Viewpoint" commentary read by Angel Hernandez]

[Text] Howard Baker, the new White House secretary [as heard], said this past weekend that President Ronald Reagan is completely absorbed by the arms control issue that was once again brought up by the USSR in its proposal to eliminate medium-range missiles from European territory.

By evoking the President's attitude, Baker said something that weeks ago would have been inconceivable: arms control is a top priority for Ronald Reagan. According to other government officials eager to make public statements, Reagan is convinced that arms control should be the main focus of his remaining 22 months in office.

Reagan's attitude, quite different from his usual position, has an explanation, which however does not include the President's clique. At all costs Reagan is trying to clean up his image that was highly marred by the Iran-contras scandal, which day by day shows evidence that it was a plan widely known and supported by all members of the White House.

The statements made by Baker and other U.S. Government officials regarding Reagan's concerns about disarmament are the extreme opposite of what has been done up to now by the President concerning this important issue. Or is disregarding the Soviet moratorium on nuclear tests and sabotaging the Reykjavik talks, a U.S. step toward peace? Of course only a dope would believe that Reagan's current concerns are even slightly sincere.

Reagan immediately reacted to the Soviet proposal to withdraw medium-range missiles from Europe because he was pressured by the need to pretend before the public, that he is something he is not and by the need to improve his image so as to go down in history as a good President.

However, words alone do not convince, and while those close to the President say he is immersed in peace issues, obstacles of all types are being placed in the way of an agreement with the USSR. They talk of verification problems that are completely nonexistent, while the Pentagon makes efforts to strengthen its short-range missiles in Western Europe in case the medium-range weapons are withdrawn if an agreement with Moscow is reached. In that regard the Senate Armed Services Committee has received a formal request from the Defense Department to install nuclear warheads in short-range missiles located in areas bordering the USSR, thereby maintaining the danger of confrontation in the area.

The White House keeps trying to clean up the Iran-contras case, however the water used for this cleaning campaign is muddy.

BRAZILIAN FOREIGN MINISTER ON FOREIGN DEBT

PA191909 Havana International Service in Spanish 2300 GMT 18 Mar 87

[Text] Brazilian Foreign Minister Roberto de Abreu Sodre has reiterated in Havana that his country will not pay its foreign debt at the expense of economic backwardness and the hunger of the people. At a news conference given today, De Abreu Sodre said that despite the refusal by Brazil's main creditor bank, U.S. Citicorp, to make concessions on the debt, he hopes that the situation will be resolved through negotiations.

He stressed that in order to achieve this, the solidarity received by his government from Latin American and European countries will be of vital importance.

In replying to another question, de Abreu Sodre said that his country's decision to suspend the payment of interest on its foreign debt entails no risks for the democratic stability of Jose Sarney's government -- which has broad popular support -- or for the main political parties.

De Abreu Sodre expressed his satisfaction over the results of his visit to Cuba, which he said will strengthen the ties of friendship and cooperation we have been forming.

ESCANDEL REITERATES SUPPORT OF BRAZILIAN DECISION

FL191650 Havana Radio Progreso Network in Spanish 1200 GMT 19 Mar 87

[Text] Cuba has reiterated its support to Brazil in its decision to not make foreign debt service payments. This was noted during remarks made by Jesus Escandel, our country's delegate to the bureau meeting of the Permament Congress for Latin American Workers Trade Union Unity today. The unity of all Latin American workers is needed more than ever in facing the voracity of the United States and its allies, stressed Escandel during the second session of the meeting being held in Mexico.

FURTHER ON BRAZILIAN FOREIGN MINISTER'S VISIT

Sodre Hosts Reception

FL191307 Havana Tele-Rebelde Network in Spanish 1200 GMT 19 Mar 87

[Text] Last night, our Commander in Chief Fidel Castro attended a reception hosted by Brazilian Foreign Minister Roberto de Abreu Sodre, who ends his official visit to Cuba today. For Carlos Rafael Rodriguez, Vice President of the Councils of State and Ministers; Armando Hart, member of the Council of State; and Isidoro Malmierca, Cuban foreign minister also attended the reception.

Sodre Views Results of Visit

PA192142 Havana International Service in Spanish 0000 GMT 19 Mar 87

[Report by Barbara Bethancourt]

[Text] As part of his visit to Cuba, Brazilian Foreign Minister Roberto de Abreu Sodre held a news conference in Havana on Wednesday. Here is an excerpt of it in which he referred to the practical results of his visit to Cuba, which is to end on Thursday.

[Begin Sodre recording in Portuguese with simultaneous translation into Spanish] It must be stressed that, because of our origin and history, we were never separated from Cuba.

I think that what we have done has a very clear and positive meaning, which is the consolidation of a unity through documents that we signed this morning between Cuba and Brazil.

We signed a scientific, technical, and technological cooperation agreement that is based on promoting cooperation between the two countries in these areas and preventing these two countries from suffering as a result of a new division of labor based on the concentration of the technologies of certain countries.

We also signed an important agreement within ALADI which is the partial extent agreement [acuerdo del alcanze parcial] which tries to promote trade between the two countries through commercial concessions. We also had the opportunity to sign several notes through which we established that the two Foreign Ministries will hold talks about international issues.

Finally, we also agreed on the creation of an ad hoc commission that will try to review the institutional instruments that organized the relations between the two countries in the past. However, many of these instruments had become obsolete. Therefore, this commission will be tasked with checking to see which instruments are needed for our future relations.

Responding to this question about the practical results of this visit, I must say that the meetings I held and the contacts I made were very practical and objective. I met with Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers, with whom I discussed several general and bilateral topics. I met with Foreign Trade Minister Ricardo Cabrizas and I introduced him to a group of Brazilian businessmen who are in Havana visiting with me. I also met with Luis Gutierrez, acting president of the Central Bank, and we discussed various matters regarding the bank.

Finally, and naturally, I could not forget to mention my contacts with President Fidel Castro, the leader of the Cuban nation. [end recording]

Ministers Sign Agreements

FL182013 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Mar 87

[Report by (Gisela Bell Heredic)]

[Text] Cuban Foreign Minister Isidoro Malmierca and Brazilian Foreign Minister Roberto Costa de Abreu Sodre signed four important agreements this morning. The agreements are aimed at promoting and developing existing relations between the two countries.

An agreement for scientific-technical and technological cooperation and a memorandum for the establishment of an ad-hoc commission made up of the two foreign ministers and charged with reviewing standing legal documents pertaining to Cuba and Brazil were signed at the protocol house in Cubanacan.

[Begin Malmierca recording] We believe that in signing these documents today we are reaffirming the desire manifested through the visit by our distinguished friend to consolidate, expand, and strengthen relations between our two countries. These relations, which were interrupted from the diplomatic point of view, have always been alive from the real standpoint, the standpoint of our peoples, who are similar, with similar roots and a common future. [end recording]

A partial-scope [de alcance parcial] agreement, the final signing of which will take place within the next several months, was also agreed upon at that same ceremony. Letters expressing an interest in promoting the holding of periodical meetings to discuss international affairs were exchanged by the two foreign ministers.

[Begin Costa de Abreu Sodre recording in Portuguese with simultaneous translation into Spanish] That is why these documents that we signed here after 22 years are a milestone in Brazilian and Cuban history. [end recording]

The Brazilian foreign minister will continue today his program of activities, which began on Monday. The visit will conclude tomorrow.

HONDURAN SHIP RESCUED AFTER RUNNING AGROUND

FL121726 Havana Television Service in Spanish 1200 GMT 12 Mar 87

[Text] Joint maritime and port efforts were carried out to rescue a Honduran ship that ran aground 25 miles north of Caibarien municipality in Villa Clara.

The ship (Levy Mitchell) was dragged toward our coast yesterday by strong winds produced by the front that lashed the island. At the request of the ship's crew, the rescue service, maritime security authorities from Havana port, and Mambisa Enterprise shipping agents from Caibarien, carried out the rescue efforts. The cargo of the (Levy Mitchell) was evacuated with Cuban assistance.

SALVADORAN REBELS CLAIM HUMAN RIGHTS REPORT FALSE

PA121854 Havana International Service in Spanish 0000 GMT 12 Mar 87

[Text] The FMLN and FDR of El Salvador have characterized as false and biased some of the conclusions on this Central American country presented in Geneva by special spokesman Antonio Pastor Riluejo, who sided with the regime of Jose Napoleon Duarte. The Salvadoran revolutionaries have noted that the report presented to the Human Rights Commission either omits or distorts the abuses committed by the Salvadoran Army and police. Examples of these abuses include air attacks on civilians, tortures, and labor repression.

A document distributed to humanitarian governments and organizations compares in detail the biased conclusions of Riluejo with those of entities such as the legal tutelage section of the office of the archbishop of San Salvador and the Christian legal aid office.

USSR BUYS COSTA RICAN SUGAR AFTER U.S. QUOTA CUTS

FL192102 Havana Radio Reloj Network in Spanish 1904 GMT 19 Mar 87

[Text] The Soviet Union has purchased 32,107 tons of sugar from Costa Rica, after the United States reduced that country's quota assignment.

Miguel Angel Alfaro, president of the (Sugarcane Agroindustrial League), said that the Soviet ship that will transport the first 25,000 tons of sugar to the USSR is expected to arrive at the Punta Morales sugar port, on Costa Rica's Pacific coast, on Monday.

The U.S. Government reduced the sugar quota assigned to Costa Rica this year. It was more than 34,000 tons in 1986. This year it will total a little more than 17,000 tons.

A source close to the (Sugarcane Agroindustrial league) said that the Soviet Union is currently the world's major sugar importer, and that it pays good and just prices for the product.

POLISH PARTY OFFICIAL ARRIVES FOR TALKS

FL161446 Havana Tele-Rebelde Network in Spanish 1400 GMT 16 Mar 87

[Text] Jozef Czyrek, member of the Politburo and Secretary of the Polish United Workers Party, has arrived in our country at the invitation of the Communist Party of Cuba [PCC]. The distinguished guest was affectionately welcomed by Jorge Risquet Valdes, member of the PCC Politburo and Secretariat. Also on hand were Martin [As heard] Mora Diaz, Cuban ambassador to Poland, and (Seslav Dega), the brotherly country's representative in our country.

Czyrek will visit centers of economic and social interest, and hold talks with Cuban party and government officials.

POLAND'S GORYWODA MEETS WITH RODRIGUEZ

LD191125 Warsaw PAP in English 1034 GMT 19 Mar 87

[Text] Havana, March 19 (PAP) -- Vice president of the Council of State of the Republic of Cuba, Rafael Rodriguez, received here yesterday Polish Deputy Prime Minister, Chairman of the State Planning Commission, Manfred Gorywoda.

The two discussed, among other things, economic cooperation between the two states to the year 1990 and its further prospects. Gorywoda heads a delegation of the planning commission now in Cuba.

RISQUET MEETS WITH IRAQI BA'TH DELEGATION

FL190230 Havana Television Service in Spanish 0100 GMT 19 Mar 87

[Text] Today at the Foreign Ministry, Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo, received the Ba'th [Arab Ba'th Socialist Party] delegation from Iraq, which is presided over by (?Taha Yasin Al-Basri), chairman of the Foreign Affairs Bureau of the National Command of the Ba'th Party. Also present at the meeting were (Abooshz Ma Il), head of the America Department of the National Command of the Ba'th Party, and (Sabad Kamil Said), charge d'affairs at the Iraqi Embassy in Cuba. The talks were held in an atmosphere of friendship, which characterizes the relations between Cuba and Iraq.

SANCTI SPIRITUS MILLS RESUME WORK AFTER RAINS

FL122231 Havana Radio Reloj Network in Spanish 1922 GMT 12 Mar 87

[Text] After almost 7 days of inactivity due to problems caused by last week's rains, milling has resumed at eight of Sancti Spiritus Province's nine agroindustrial sugar complexes.

The Siete de Noviembre, Remberto Habach Aleman, and Ramon Ponciano sugar mills were set into motion again yesterday. After an inspection in the sugarcane fields, the directorate at the Aracelly Iglesias Agroindustrial complex at Yaguajay decided that cutting will be resumed on Saturday using (KTP) and libertadoras machines, according to reports furnished by Ceres Madrigal.

PCC ASSESSES HARVEST DAMAGES IN PINAR DEL RIO

FL132330 Havana Radio Reloj Network in Spanish 2107 GMT 13 Mar 87

[Text] It has been reported during an assessment meeting of the Communist Party of Cuba [PCC] leadership in Pinar del Rio that over 580 caballerias of tobacco have been damaged in that territory as a result of the rains fallen since the end of December. The Pinar del Rio peasants and agriculture workers were instructed not to plant more tobacco, to pay closer attention to small tobacco plants, and to keep up with the harvesting, fertilizing, and related tasks.

It was determined that there are still chances of having a good tobacco harvest despite the considerable damages suffered by the outer leaves. The people from Pinar del Rio should be motivated with the idea that they have to make the best out of the rains and believe that despite the losses this could be a good year for agriculture.

During the PCC's meeting that assessed the agriculture situation in Pinar del Rio, it was reported that 50 percent of the tomato harvest has been affected by the rains during the first part of March. Orlando Lugo Fonte, PCC first secretary in Pinar del Rio, instructed the territory's agriculture ministry to replant tomatoes in highlands that have irrigation systems, since that product is used in purees and pastes. Lugo Fonte noted the need to make good use of rain in other harvests such as rice, citrus, fruits, and forestry, as well as in livestock. Pinar del Rio is able to plant 400 caballerias of rice in March and 600 more in April. The sugarcane harvest plan can still be fulfilled.

'LARGEST' THERMOELECTRIC PLANT WILL SAVE FUEL

PA181818 Havana International Service in Spanish 1600 GMT 17 Mar 87

[Text] A thermoelectric plant being built with the cooperation of French experts in the outskirts of Matanzas, western Cuba, is nearly finished. The plant, which will be the largest one in Cuba, will cost nearly $200 million. Once the Matanzas thermoelectric plant is operating, Cuba will save from 70,000 to 80,000 tons of petroleum per year.

VAN AMSON EXPLAINS DEMOCRATIZATION PROCESS

FL131813 Paramaribo International Service in English 1730 GMT 13 Mar 87

[Text] During a ministerial meeting of the Nonaligned Movement, which closed early this morning in Guyana, Suriname expressed solidarity with Nicaragua. Suriname also pledged support to the Contadora Group for its efforts to bring a peaceful solution to the conflict in Central America.

These standpoints were expressed by Deputy Prime Minister Van Amson, who spoke at the meeting on Wednesday [11 March]. He explained the present situation and democratization process in Suriname. He said that the country is heading towards total independence and a new political system based on true democracy.

GOVERNMENT ENVOY HEIDWEILLER RETURNS FROM EUROPE

FL171953 Paramaribo International Service in English 1730 GMT 17 Mar 87

[Text] Mr Hank Heidweiller yesterday returned from a mission to Europe. As a special envoy of government leader Bouterse, Mr Heidweiller held talks in Geneva, Bonn, and Paris before traveling to The Hague. While in the Netherlands, Ambassador Heidweiller held talks with Dutch parliamentarians.

According to him, the people's representatives in the former motherland seemed to be willing to improve relations with Suriname. The special envoy said that Holland's constant concern over the human rights situation always served to hinder the improvement of relations between the two countries. He added that in many cases this amounts to interference in the internal affairs of Suriname. The Dutch parliamentarians were also interested in the futue role of the military in Suriname. According to Mr Heidweiller, this role will never be contradictory to the genuine principles of democracy. After elections, like other groupings, the military will be subservient to whoever will be elected by the people as their representatives. Heidweiller endorsed the view of one of the parliamentarians who pointed to problems caused by the ethnic base of political parties. Heidweiller expressed the hope that these parties will (?retain) a more national outlook.

LIBERATION COUNCIL MEMBERS AT FRENCH GUIANA BORDER

FL192150 Paramaribo International Service in English 1730 GMT 19 Mar 87

[Text] Yesterday, the Suriname News Agency (SNA), reported that at least five members of the so-called Liberation Council are at the moment in St Laurent, on the Marowijne River, which borders Suriname and French Guiana. The report released the names of (?members): (Tomajaya, Yonakit, Tompasin, Rak, and Henk Jonasen), the last of whom was seen crossing to the Suriname side. He is now said to be on Stoelmans Eiland or (Lanadabajad).

The SNA has quoted a service as saying that toward the stepping up of the democratization process, the Liberation Council is more and more exposed internationally as a terror group.